Empowerment among Managers in Malaysian Banking: The Role of Leadership Behaviour and Motivation

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# Table of Content

List of Tables .......................................................................................................................... 9  
List of Figures .......................................................................................................................... 12  
ABSTRACT ................................................................................................................................. 13  
Declaration ................................................................................................................................. 14  
Copyright Statement ................................................................................................................ 15  
Dedication ................................................................................................................................... 16  
Acknowledgements .................................................................................................................... 17  

1. INTRODUCTION .................................................................................................................. 18  
   1.1 Introduction ....................................................................................................................... 18  
   1.2 The study ......................................................................................................................... 18  
   1.3 Research methodology .................................................................................................... 27  
   1.4 The structure of the thesis ............................................................................................... 30  
   1.5 Chapter summary ............................................................................................................ 32  

2. EMPOWERMENT: A LITERATURE REVIEW ...................................................................... 33  
   2.1 Introduction ....................................................................................................................... 33  
   2.2 The meaning of empowerment ......................................................................................... 35  
   2.3 The concept of empowerment: A structural approach .................................................... 39  
   2.4 The concept of empowerment: A psychological approach .............................................. 42  
   2.4.1 Meaning ....................................................................................................................... 44  
   2.4.2 Competence (self-efficacy) ......................................................................................... 44  
   2.4.3 Self-determination (choice) ....................................................................................... 45  
   2.4.4 Impact .......................................................................................................................... 46  
   2.5 The measurement of psychological empowerment ........................................................ 48  
   2.5.1 Menon (2001) ............................................................................................................. 48  
   2.5.2 Spreitzer (1995) .......................................................................................................... 52  
   2.6 The empowerment process .............................................................................................. 55  
   2.7 Leadership behaviour as a factor influencing empowerment ....................................... 59  
   2.7.1 Transformational leadership ....................................................................................... 66  
   2.7.2 Empowering leadership ............................................................................................. 71  
   2.8 Culture as a factor influencing empowerment ............................................................... 74  
   2.9 Demographics as a factor influencing empowerment .................................................... 77  
   2.10 Intrinsic motivation: outcomes of empowerment ........................................................ 81  
   2.11 Challenges to Empowerment ....................................................................................... 88
EMPOWERMENT: A CONTEXTUAL REVIEW .......................................................... 96
3.1 Introduction .................................................................................................. 96
3.2 Selection of Malaysia as research context .............................................. 98
3.3 Empowerment in Malaysia .......................................................................... 99
3.4 The selection of banking as the organisational setting ............................. 105
3.5 Empowerment in banking ......................................................................... 108
3.6 Research objectives, hypotheses and conceptual framework of the study... 116
3.7 Summary .................................................................................................... 132

RESEARCH METHODOLOGY ........................................................................... 134
4.1 Introduction .................................................................................................. 134
4.2 Research paradigm ...................................................................................... 134
4.3 Research design: The mixed method approach ....................................... 136
4.4 Participating banks .................................................................................... 140
4.5 Quantitative method: Questionnaire ....................................................... 142
  4.5.1 Measurement .......................................................................................... 144
  4.5.2 Piloting the questionnaire ...................................................................... 148
  4.5.3 Participants ............................................................................................ 150
    4.5.3.1 Response rate ................................................................................. 151
    4.5.3.2 Missing data .................................................................................... 152
  4.5.4 Questionnaire analysis .......................................................................... 153
4.6 Qualitative method: Semi-structured interview ...................................... 155
  4.6.1 Interview design .................................................................................... 155
  4.6.2 Piloting the semi-structured interview ................................................. 157
  4.6.3 Interviewees .......................................................................................... 157
  4.6.4 The interview procedure ..................................................................... 158
  4.6.5 Analysis of interview data ................................................................... 159
4.7 Ethical considerations ................................................................................ 160
4.8 Summary .................................................................................................... 160

RESULTS: THE QUANTITATIVE QUESTIONNAIRE ......................................... 162
5.1 Introduction .................................................................................................. 162
5.2 Data screening ............................................................................................ 164
5.3 Preliminary analysis .................................................................................... 165
5.4 Construct validity and reliability ............................................................... 166
5.4.1 Exploratory factor analysis ................................................. 167
5.4.2 Confirmatory factor analysis ................................................ 170
  5.4.2.1 Empowerment measure ................................................. 170
  5.4.2.2 Transformational leadership ............................................ 172
  5.4.2.3 Empowering leadership ................................................ 174
  5.4.2.4 Intrinsic motivation ..................................................... 175
5.5 Demographic information ...................................................... 176
  5.5.1 Personal demographic information ...................................... 176
  5.5.2 Organisational demographic information ................................. 179
5.6 Objective one: To determine the differences in employee empowerment between private and government-owned banks .................................................. 183
5.7 Objective two: To determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position ............................................. 185
  5.7.1 H2a: Older employees will perceive higher empowerment than younger ones ............................................................... 186
  5.7.2 H2b: Females will perceive higher empowerment than males .......... 189
  5.7.3 H2c: Members of the majority ethnic group will perceive higher empowerment than members of minorities .................................................. 190
  5.7.4 H2d: Employees with longer tenure will perceive higher empowerment than those with shorter tenure .................................................. 191
  5.7.5 H2e: Employees with higher job positions will perceive greater empowerment than those in lower job positions ............................................. 195
5.8 Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership) ........................................................................... 196
5.9 Objective four: To ascertain the relationship between empowerment and intrinsic motivation ........................................................................... 201
5.10 Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation ........................................................................... 202
5.11 Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation ........................................................................... 205
5.12 Summary .................................................................................. 207
6 RESULTS: QUALITATIVE SEMI-STRUCTURED INTERVIEWS ............ 212
  6.1 Introduction ............................................................................. 212
  6.2 Demographic information ...................................................... 213
6.2.1 Personal demographic information.................................................................214
6.2.2 Organisational demographic information.......................................................215
6.3 Thematic analysis .................................................................................................216
6.4 Objective seven: To identify the understanding and definition of empowerment among bank managers.................................................................217
  6.4.1 Theme: Authority ..............................................................................................218
  6.4.2 Theme: Competence .........................................................................................223
  6.4.3 Theme: Trust ......................................................................................................227
  6.4.4 Summary of findings on objective seven: To identify the understanding and definition of empowerment among bank managers.................................................229
6.5 Objective eight: To reveal the empowerment process within Malaysian banks ..............................................................................................................231
  6.5.1 Initiation phase ..................................................................................................234
  6.5.2 Implementation phase .......................................................................................238
  6.5.3 Sustaining phase ...............................................................................................247
  6.5.4 Constraints on the empowerment process .......................................................250
    6.5.4.1 Lack of acceptance by employees .................................................................250
    6.5.4.2 Inadequate systems of monitoring ...............................................................252
  6.5.5 Summary of findings on objective eight: To reveal the empowerment process within Malaysian banks .................................................................253
6.6 Summary ...............................................................................................................255
7 DISCUSSION .............................................................................................................260
  7.1 Introduction ..........................................................................................................260
  7.2 Overview of findings ............................................................................................260
  7.3 Reflections on the findings in relation to literature review, interview data, Malaysian context and similarities across banks..........................................................265
    7.3.1 Findings consistent with literature .................................................................267
      7.3.1.1 Objective one: To determine differences in employee empowerment between private and government-owned banks .........................................................267
      7.3.1.2 Objective two: To determine difference in employee empowerment across demographic of age ..........................................................................................268
      7.3.1.3 Objective two: To determine difference in employee empowerment across demographic of gender ..........................................................................................269
      7.3.1.4 Objective two: To determine difference in employee empowerment across demographic of organisational tenure .........................................................269
7.3.1.5 Objective two: To determine difference in employee empowerment across demographic of job position

7.3.1.6 Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)

7.3.1.7 Objective four: To ascertain the relationship between empowerment and intrinsic motivation

7.3.1.8 Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation

7.3.1.9 Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation

7.3.1.10 Objective seven: To identify the understanding and definition of empowerment among bank managers

7.3.1.11 Objective eight: To reveal the empowerment process within Malaysian banks

7.3.2 Findings inconsistent with the literature

7.3.2.1 Objective one: To determine the differences in employee empowerment between private and government-owned banks

7.3.2.2 Objective two: To determine differences in employee empowerment across the demographic of age

7.3.2.3 Objective two: To determine differences in employee empowerment across the demographic of gender

7.3.2.4 Objective two: To determine differences in employee empowerment across the demographic of ethnicity

7.3.2.5 Objective two: To determine differences in employee empowerment across the demographic of job position

7.3.2.6 Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)

7.3.3 Links with interview data

7.3.3.1 Objective one: To determine differences in employee empowerment between private and government-owned banks

7.3.3.2 Objective two: To determine the differences in employee empowerment across demographic of organisational tenure
7.3.3.3  Objective two: To determine differences in employee empowerment across the demographic of job position .................................................287

7.3.4  Malaysian context .................................................................................................................................288

7.3.4.1  Objective two: To determine differences in employee empowerment across the demographic of gender .................................................288

7.3.4.2  Objective two: To determine differences in employee empowerment across the demographic of ethnicity .................................................289

7.3.4.3  Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership vs. empowering leadership) affects the relationship between empowerment and intrinsic motivation .............................................................................290

7.3.5  Similarity between the banks ......................................................................................................................291

7.4  Overall reflections on the study ......................................................................................................................293

7.5  Theoretical implications .................................................................................................................................294

7.6  Methodological implications ..........................................................................................................................300

7.7  Practical implications ........................................................................................................................................301

7.8  Summary ..........................................................................................................................................................303

8  CONCLUSION ....................................................................................................................................................305

8.1  Introduction .....................................................................................................................................................305

8.2  Study limitations ..............................................................................................................................................310

  8.2.1  Focus on banking organisations .................................................................................................................310

  8.2.2  Sample size - Questionnaire .....................................................................................................................310

  8.2.3  Diversity of participants ............................................................................................................................311

  8.2.4  Use of non-random snowball sampling ....................................................................................................311

  8.2.5  Sample size - Semi-structured interview .................................................................................................311

  8.2.6  Degree of disclosure of the participants ..................................................................................................312

  8.2.7  Self-report measures ..................................................................................................................................312

  8.2.8  Cross-sectional study ...............................................................................................................................313

  8.2.9  Common method variance ........................................................................................................................313

8.3  Avenues for future research ............................................................................................................................314

References ...............................................................................................................................................................316

APPENDIX 1: Sample email to invite participation to the study ................................................................................348

APPENDIX 2: Participation information sheet for questionnaire .............................................................................349

APPENDIX 3: Consent form for questionnaire ......................................................................................................351

APPENDIX 4: Psychological empowerment questionnaire ..........................................................................................352
List of Tables

Table 2.1: Various definitions of empowerment ................................................................. 37
Table 2.2: Reliability scores reported by studies adopting Spreitzer's scale ................. 54
Table 3.1: Summary of empowerment studies in Malaysia .............................................. 101
Table 3.2: Summary of gaps in empirical empowerment research specific to this study ... 117
Table 4.1: Key characteristics of the two banks participating in the study ............ 142
Table 4.2: Rephrased items on transformational leadership ....................................... 146
Table 4.3: Summary of response rates ............................................................................. 152
Table 5.1: Five per cent trimmed mean and mean values for continuous scales........ 166
Table 5.2: Comparison of eigenvalues from EFA and criterion values from parallel analysis ................................................................. 167
Table 5.3: Exploratory factor analysis of the measures .................................................. 168
Table 5.4: Convergent validity for empowerment ......................................................... 171
Table 5.5: Discriminant validity for empowerment ....................................................... 171
Table 5.6: Convergent validity for transformational leadership (one-factor) ............ 172
Table 5.7: Convergent validity of transformational leadership (four factors) .......... 173
Table 5.8: Discriminant validity for transformational leadership (four factors) ......... 173
Table 5.9: Convergent validity for empowering leadership ........................................ 174
Table 5.10: Discriminant validity for empowering leadership ..................................... 175
Table 5.11: Convergent validity for intrinsic motivation .............................................. 175
Table 5.12: Discriminant validity for intrinsic motivation .......................................... 176
Table 5.13: Personal demographic information ............................................................. 177
Table 5.14: Organisational demographic information .................................................. 180
Table 5.15: Independent samples t-test for empowerment differences between private and government-owned banks ........................................................................... 185
Table 5.16: Collapsing the age categories for the private bank sample .................... 187
Table 5.17: Independent samples t-test for empowerment difference across age groups in private bank ......................................................................................... 187
Table 5.18: Age categories for the government-owned bank sample ....................... 188
Table 5.19: ANOVA for empowerment difference across age groups in government-owned bank ............................................................................................................ 188
Table 5.20: Independent samples t-test for empowerment differences across gender groups in private and government-owned banks .............................................................. 189
Table 5.21: Independent samples t-test results for empowerment difference between ethnic groups in private and government-owned banks.................................................................190
Table 5.22: Collapsing the organisational tenure categories for the private bank ........192
Table 5.23: ANOVA for empowerment differences across organisational tenure groups in the private bank........................................................................................................192
Table 5.24: Collapsing the organisational tenure groups for the government-owned bank .................................................................................................................................194
Table 5.25: ANOVA test for empowerment difference across organisational tenure groups in the government-owned bank.................................................................194
Table 5.26: ANOVA results for empowerment differences across job positions in private and government-owned banks..................................................................................195
Table 5.27: Hierarchical regression analysis for empowerment and transformational leadership .........................................................................................................................197
Table 5.28: Hierarchical regression analysis for empowerment and empowering leadership ....................................................................................................................198
Table 5.29: Hierarchical regression analysis for facets of empowerment and transformational leadership ...........................................................................................................199
Table 5.30: Hierarchical regression analysis for facets of empowerment and empowering leadership ................................................................................................................200
Table 5.31: Hierarchical regression analysis for empowerment and intrinsic motivation...201
Table 5.32: Correlation matrix for empowerment, leadership behaviour and intrinsic motivation ................................................................................................................................203
Table 5.33: Raw regression coefficient and standard errors obtained by multiple regression (leadership behaviour as the mediator) ........................................................................204
Table 5.34: Sobel tests (leadership behaviour as the mediator) ................................204
Table 5.35: Raw regression coefficient and standard errors obtained by multiple regression (empowerment as the mediator) ........................................................................206
Table 5.36: Sobel test (empowerment as the mediator) ........................................206
Table 5.37: Summary of statistical test results for objective two............................208
Table 6.1: Personal demographic information of interviewees ................................214
Table 6.2: Organisational demographic information on interviewees ....................215
Table 6.3: Summary of findings on the theme of authority ....................................218
Table 6.4: Summary of findings for the theme of competence ................................224
Table 6.5: Summary of findings on the theme of trust ............................................227
Table 6.6: Summary of findings for the initiation phase .......................................................... 235
Table 6.7: Summary of findings on the implementation phase .............................................. 239
Table 6.8: Summary of findings for sustaining phase ............................................................ 247
Table 6.9: Summary of findings regarding lack of acceptance by employees ...................... 251
Table 6.10: Summary of findings on inadequate monitoring systems .................................... 252
Table 7.1: Summary of results of hypothesis testing ................................................................. 261
Table 7.2: Summary of interview findings .............................................................................. 264
Table 7.3: Research objectives in relation to literature review, interview data, Malaysian context and similarities across banks .............................................................................. 266
List of Figures

Figure 2.1: Five stages in the process of empowerment .......................................................... 56

Figure 3.1: Conceptual framework of the study (proposed model) - The mediator role of leadership behaviour in the relationship between empowerment and intrinsic motivation .................................................................................................................. 130

Figure 3.2: Competing model - The mediator role of empowerment in the relationship between leadership behaviour and intrinsic motivation ......................................................... 131

Figure 4.1: Research Design (adapted from Muhamad, 2007) .................................................. 139

Figure 6.1: Empowerment process discovered in the two participating banks .................. 233

Figure 7.1: Conceptual framework of the study with findings ............................................. 262
ABSTRACT

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Empowerment among Managers in Malaysian Banking: The Role of Leadership Behaviour and Motivation

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This study investigates empowerment within the under-researched context of banks (Ratmawati, 2007; Spreitzer, 1995) in Malaysia. Specifically, it examines empowerment and its relation to the constructs of leadership behaviour and intrinsic motivation from the narrow perspective of banking organisations of different ownership status (private and government-owned), where a study addressing these issues is lacking (Ergeneli, Ari & Metin, 2007; Holden, 1999; Kappelman, Prybutok & Dran 1996). Additionally, it explores the understanding of empowerment among senior managers and the process of empowerment in banking organisations.

A concurrent, embedded, mixed methods strategy is employed, whereby secondary qualitative data from semi-structured interviews are embedded within the primary quantitative data gathered by means of a questionnaire (Creswell, 2009). Quantitative data from 421 and 425 questionnaires administered in a private and a government-owned bank respectively were subjected to a number of statistical techniques and analysed. Qualitative data were collected from six senior managers from each bank and subjected to thematic analysis (King, 2004). There are several important findings. First, there was an overall difference in empowerment across the two banks, with higher levels being evident in the private one. Notwithstanding this difference, favourable feelings of empowerment were in evidence in both banks. The core finding is of a mediation role for leadership behaviour in the relationship between empowerment and intrinsic motivation for the two leadership behaviours, i.e. transformational and empowering leadership. Findings from the qualitative data suggest that participants’ strong understanding of empowerment stemmed from the structural approach to empowerment, although attempts at the psychological approach were also acknowledged. Two main constraints on empowerment were highlighted: lack of acceptance by employees and inadequate systems of monitoring.

The findings add considerably to knowledge at the theoretical, methodological and practical levels. Theoretically, the study fundamentally helps to explore the concept of empowerment, which was developed and evolved in the West, from the perspective of Malaysia, a nation culturally distinctive from Western ones, with a focus on the under-researched area of banking, considering different ownership types, in relation to leadership behaviour and intrinsic motivation. The methodological implication comes from the use of mixed methods as an overarching methodology. The study outlines the practical considerations (two constraints on empowerment) that the programme developer/owner of empowerment should take into account in developing or enhancing empowerment by embedding relevant strategy to tackle the two constraints within the empowerment process itself. Study limitations are highlighted and avenues for future research are explored.
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Dedication

This thesis is dedicated to Syed Muzzarfar Shah Sayad Ali, Ayah, Mak, Jeelin and Matji.
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1 INTRODUCTION

1.1 Introduction

This chapter introduces the topic of this thesis, summarising the study in the context of theoretical perspectives and the issues that the thesis seeks to address. The chapter begins with an overview of the study: empowerment in banking organisations in general and in Malaysia in particular. Its relevance to leadership behaviour and intrinsic motivation, and the interfaces between them, are also explained. The research objectives of the study alongside their associated hypotheses are then presented, followed by a description of the methodological approaches underpinning the study. Next, the structure of this thesis is given, and the organisation of chapters is explained with the purpose and content of each. The chapter concludes with a summary.

1.2 The study

Despite the popularity of studying empowerment over the past few decades, the meaning of empowerment is the subject of much debate (Greasley et al., 2005; Kinlaw, 1995; Menon, 2001; Spreitzer, 2008). Empowerment is argued to have spawned diverse meanings with no consensus on a definition (Chênevert & Tremblay, 2009; Erstad, 1997; Holdsworth, 2007; Holts, Love & Nesan, 2000; Perkins & Zimmerman, 1995). The multiple elements of empowerment have made it a complicated concept to define and have contributed to the various interpretations by different academics (Ahmad & Oranye, 2010; Honold, 1997). It is therefore unsurprising that many definitions of empowerment appear in the academic literature, as different academics have their own interpretations which could be influenced by personal differences in perception and background. Nevertheless, two prominent perspectives have emerged: the structural and psychological approaches to empowerment. The structural view is considered a traditional approach, rooting empowerment within the organisational context and seeing it as an action taken by organisations to share power and decision-making (Ahearne, Mathieu & Rapp, 2005; Hechanova, Alampay & Franco, 2006; Logan & Ganster, 2007). The psychological approach, on the other hand, emphasises the individual experience of empowerment: what individuals have to feel in order for interventions to become effective, rather than specific management practices intended to empower individuals (Dewettinck & Ameijde, 2011;
Spreitzer, Kizilos & Nason, 1997). The structural approach has been criticised for its limitations, giving insufficient attention to the nature and the processes underlying empowerment; it fails to address the cognitive state of those being empowered (Chan, Taylor & Markham, 2008; Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990; Tuuli & Rowlinson, 2009). Empowerment is said to have occurred if individuals believe that they have been empowered; therefore they cannot be empowered without feeling that they have been (Greasley et al., 2008; Matthews, Diaz & Cole, 2003; Siegall & Gardner, 2000). According to Menon (2001), to understand the empowerment process, it is more efficacious to study it from the perspective of an individual employee, as the expected benefits of empowerment will be realised only if employees actually experience it, i.e. if they are in the psychological state of empowerment. Given the limitations of the structural approach in neglecting the individual experience in the empowerment process, the psychological approach is therefore preferred in this study.

Stander and Rothman (2010) assert that empowerment is an important strategy to consider when dealing with the great pressures of the continuously changing world of work. Empowerment increases employees’ sense of personal control and gives them greater opportunities for self-direction in their work, helping to deal with changes at work and in turn resulting in positive employee and organisational outcomes (Vecchio, Justin & Pearce, 2010). Empowerment thus has many ramifications. Among those commonly cited are competitiveness, managerial effectiveness, customer service quality, customer satisfaction, higher levels of job performance and job satisfaction, organisational commitment, innovative behaviour and motivation (Biron & Bamberger, 2010; Conger & Kanungo, 1988; Dewettinck & Ameijde, 2011; Hall, 2008; Hammudda & Dulaimi, 1997; Kinlaw, 1995; Klagge, 1998; Kondo, 1997; Menon, 2001; Moore, Hopkins & Hopkins, 1998; Scarnati & Scarnati, 2002; Thomas & Velthouse, 1990; Tschohl, 1998). All these potential outcomes, with the exception of motivation, have received considerable empirical support in their relationship with empowerment (e.g. Abd. Ghani & Raja Hussin, 2008; Bordin, Bartram & Casimir, 2007; Chang, Shih & Lin, 2010; Dewettinck & Ameijde, 2011; Hechanova et al., 2006; Nielsen & Pedersen, 2003; Spreitzer, 1995; Spreitzer et al., 1997; Ugboro & Obeng, 2000). Despite motivation being advocated as one of the important outcomes of empowerment, little empirical research has attempted to investigate the presumed link between empowerment and motivation (Drake, Wong & Salter, 2007; Logan & Ganster, 2007). Furthermore, little attention has been paid in the academic literature to
exploring the specific types of motivation, intrinsic motivation in particular, in relation to empowerment (Gagné, Senécal & Koestner, 1997; Hechanova et al., 2006; Zhang & Bartol, 2010).

Intrinsic motivation (the pleasure and inherent satisfaction derived from a specific activity) is seen as more critical in the workplace than the other type of motivation, i.e. extrinsic motivation, which focuses on goal-driven reasons such as rewards or benefits earned from performing an activity (Lin, 2007). Employees experiencing a state of intrinsic motivation tend to be committed to their job and self-fulfilled through it, whereas extrinsically motivated employees tend to feel a lack of control over their behaviour in performing their job (Aldag & Brief, 1979). In addition to performing in the absence of close supervision, intrinsically motivated employees are capable of controlling their own task accomplishment and resilience to obstacles (Bohnet & Gee, 2002; Thomas & Velthouse, 1990).

Many academics claim that empowerment and intrinsic motivation are interrelated. Beach (1996) believes that empowerment is similar to intrinsic motivation, as the two are inner urges that drive people to action. Thomas and Velthouse (1990), meanwhile, argue that the dimensions of empowerment (i.e. impact, competence, meaning and self-determination) are seen as having additional motivational effects on employees. It is important to recognise that notwithstanding the many claims relating empowerment to intrinsic motivation, empirical evidence of a correlation between the two (i.e. intrinsic motivation as an outcome of empowerment) appears to be lacking (Beach, 1996; Carless, 2004; Conger & Kanungo, 1988; Gagné et al., 1997; Hechanova et al., 2006; Mallak & Kursedit, 1996; Thomas & Velthouse, 1990; Zhang & Bartol, 2010). Assuming that intrinsic motivation has greater importance than extrinsic motivation in the workplace and given the paucity of empirical evidence on the former as an outcome of empowerment, it has been chosen as the outcome of empowerment to be investigated for the purpose of this study.
Empowerment is, however, subject to a number of influencing factors that may determine the degree of its success. Yagil (2006), for instance, argues that the impact of empowerment depends on the interaction of environmental and personal variables. Among the potential environmental factors frequently highlighted as influencing empowerment are trust, job design, access to information and resources, organisational structure, training and support, and leadership behaviour (Chan et al., 2008; Logan & Ganster, 2007; Samad, 2007; Smith & Moul, 1998; Spreitzer, 1996). Leadership behaviour is argued to be the factor most strongly influencing the success of empowerment in an organisation (Ahearne et al., 2005; Bordin et al., 2007; Laschinger, Finegan & Wilk, 2009). Existing empirical work reveals a tendency to emphasise leadership behaviour as the antecedent to empowerment (Chiang & Jang, 2008; Dewettinck & Ameijde, 2011; Ismail et al., 2009; Kirkman & Rosen, 1999; Siegall & Gardner, 2000). There are few empirical studies that focus on alternative views, for example taking empowerment as the antecedent to leadership behaviour, or leadership behaviour as a mediator in the relationship between empowerment and its outcomes. The scarcity of empirical evidence regarding leadership behaviour as a mediator in the relationship between empowerment and its outcome makes it particularly valuable to extend the body of evidence in this field.

Empowerment has been the subject of many claims of association with different types of leadership behaviour, such as participative, supportive, charismatic, transactional, transformational and empowered leadership (Chiang & Jang, 2008; Choi, 2006; Dewettinck & Ameijde, 2011; Gumusluoglu & Ilsev, 2009; Huang, Shi, Zhang & Cheung, 2006; Meyerson & Kline, 2008; Pieterse, Knippenberg, Schippers & Stam, 2010). Only transformational and empowered leadership will be discussed in this study, considering the relevance of these two in an empowerment environment. Both are claimed to encourage the nature of empowerment in the workplace. Transformational leaders, for example, produce a sense of meaningfulness, competence and impact (i.e. dimensions of empowerment) among followers through the inspirational ability that embodies transformational leadership (Dewettinck & Ameijde, 2011), whereas empowering leadership is said to encourage the development of followers who can make independent decisions, think and act autonomously without direct supervision and take responsibility for their own behaviour at work. This is consistent with the notion that empowerment seeks to create followers who are effective self-leaders (Conger & Kanungo, 1988; Cox, Pearce & Perry, 2003; Manz & Sims, 2001). Moreover, other leadership behaviours have
been criticised for their negative influence of empowerment. Transactional leadership, for instance, is claimed to have a destructive influence on the followers’ creativity of performance, running counter to the thrust of empowerment in encouraging innovative behaviour which facilitates creativity (Bass, 1985; Spreitzer et al. 1999; Wei, Yuan & Di, 2010). It is true that charismatic leadership promotes a sense of meaningfulness (a dimension of empowerment) (Martin & Bush, 2006), yet it is contended that empowerment must consist of all the four dimensions of empowerment, i.e. meaning, competence, self-determination and impact. These four need to be combined additively to produce the proactive essence of empowerment (Dewettinck & Ameijdé, 2011; Spreitzer, 1995).

Freire (1970) and Hoffman (1978) assert that individuals can be empowered in spite of limited resources. Such assertions suggest that personal characteristics may have an influence in shaping the feeling of empowerment, in that different individuals may see empowerment differently. Researchers have investigated demographic factors such as age, gender, ethnicity, education, organisational tenure and job position in relation to empowerment, but they have reported varied findings suggesting a lack of understanding of the role of demographics (e.g. Dimitriadès & Kufidu, 2004; Hančer & George, 2003; Miller, Goddard & Lanshinger, 2001; Özaralli, 2003; Pitts, 2005; Spreitzer, 1996; Tuuli & Rowlinson, 2009). Those conflicting findings (such as on gender and ethnicity) merit further investigation. The current study therefore aims to examine certain demographic factors (i.e. age, gender, ethnicity, organisational tenure and job position) with respect to empowerment, specifically to explain differences in empowerment attributes in terms of demographic profile.

Such positive outcomes are associated with empowerment that it would be expected that many types of business organisation would embrace it. Indeed, it is emphasised in service organisations as in other types (Chebat & Kollias, 2000; Corsun & Enz, 1999; Lashley, 1999; Melhem, 2004; Yun Lin, 2002). Empowerment enables front-line employees to respond promptly to the individual needs of increasingly demanding customers and unpredictable service situations (Chebat & Kollias, 2000; He, Murmann & Perdue, 2010; Klidas, 2002). Moreover, empowered employees are likely to provide higher quality customer service, which is believed to be a source of competitive advantage in service organisations (Corsun & Enz, 1999). Subscribing to a similar view, He et al. (2010) believe that service organisations can build up their competitive advantage by providing
exceptional customer service through an empowered workforce. However, empirical evidence of empowerment in service organisations has been observed in only limited work settings: call centres (e.g. Bartram & Casimir, 2007; Carless, 2004; Holdsworth & Cartwright, 2003), hospitals (e.g. Ahmad & Oranye, 2010; Siu, Laschinger & Vingilis, 2005), hotels (e.g. Amenumey & Lockwood, 2008; Chiang & Jang, 2008; Salazar, Pfaffenberg & Salazar, 2006), education establishments (e.g. Abd. Ghani, Raja Hussin & Jusoff, 2009; Dee, Henkin & Duemer, 2003) and restaurants (e.g. Hancer & George, 2003; Lashley, 1999). Investigations of other types of service organisation, such as banks, are notably few. It is imperative to recognise that the existing studies tend to investigate banking as part of a more general investigation; those that focus on banking in particular are scarce. Moreover, the association between empowerment and the ownership structure of banking organisations, i.e. private versus government-owned banks, has been virtually ignored in the academic literature (Ergeneli, Ari & Metin, 2007; Holden, 1999; Kappelman, Prybutok & Dran, 1996; Melhem, 2004; Sarkar, 2009; Wat & Shaffer, 2005). This study therefore attempts to compare the degree of empowerment between private and government-owned banks.

It is also important to point out that many empowerment studies in banking are limited in the criteria examined, investigating antecedents to or consequences of empowerment while ignoring wider perspectives (Ergeneli et al., 2007; Holden, 1999; Kappelman et al., 1996; Melhem, 2004; Wat & Shaffer, 2005). To be specific, relatively comprehensive research that explores the whole process of empowerment in the bank under study, rather than focusing on its antecedents or consequences, has received little attention. Lashley (1995; 1999) points out that the empowerment process within an organisation is sensitive to the meanings which its managers attach to empowerment. It is argued that managers are capable of shaping the empowerment process according to their own understanding, which will ultimately affect the feelings and experiences of employees regarding empowerment (Honold, 1997; Klidas, van den Berg & Wilderom, 2007; Moye & Henkin, 2006). As a result, an exploration of managers’ understanding of empowerment, along with the empowerment process itself, forms part of this study.

Malaysia is predominantly a traditional Islamic state and its experience of empowerment is still far behind that of Europe or the USA (Ahmad & Oranye, 2010). Bordin et al. (2007) suggest that there is a dearth of empowerment investigation within South East Asia.
Raquib, Anantharaman, Eze and Murad (2010) highlight the scarcity of systematic research on empowerment in Malaysia, particularly looking at its real impact on many sectors. Considering that empowerment is a product of Western culture, it would be useful to determine the degree to which it can influence behaviour in the workplace in Malaysia. There is also a range of previous studies that have reported cross-cultural differences in empowerment across many countries (e.g. Dimitriades, 2005; Robert, Probst, Martocchio, Drasgow & Lawler, 2000; Sigler & Pearson, 2000). These differences demonstrate the need for further research into empowerment in order to position it as a more universal concept. These arguments help to locate the stance of the study in selecting Malaysia as the research context.

As has been noted above, it is evident that several areas of investigation are absent from the current academic literature on empowerment. First, no clear link has been made between empowerment and its outcome of intrinsic motivation. Secondly, while there are many studies emphasising leadership behaviour as antecedent to empowerment, relatively little attention appears to have been paid to alternative views, taking empowerment as the antecedent to leadership behaviour or leadership behaviour as the mediator of the relationship between empowerment and its outcomes in particular. Third, there is poor understanding of the role of demographic characteristics in empowerment, considering the varied findings of existing investigations of a link between the two. Fourth, previous studies of empowerment seem to have been largely confined to certain types of service organisation. Studies of other work settings in the service sector, such as banks, are observed to be lacking. Moreover, there is little research into empowerment within the context of banking that is comparative in nature. Specifically, few studies have investigated ownership type, comparing private with government-owned banks. Fifth, many empowerment studies in banking are limited in the criteria examined, investigating antecedents to or consequences of empowerment. Relatively comprehensive research which explores the whole process of empowerment in the two banks under study and the meanings which managers attach to empowerment has yet to be attempted. Finally, little previous empowerment research reports cross-cultural differences across countries. This warrants further research in other countries with different cultural backgrounds and justifies the situating of the present study in Malaysia. The next two chapters of this thesis (constituting the literature review) will discuss these gaps in greater depth.
This study therefore attempts to look into these deficient areas and to extend the current understanding of empowerment into the work setting of banking and in Malaysia in particular. To realise these intentions, eight research objectives have been formulated on the basis of an extensive review of the literature. They are listed below with their hypotheses (objective one to objective six) and expectations (objective seven and objective eight):

1. To determine the differences in employee empowerment between private and government-owned banks.

   H1: There is a difference in employee empowerment between private and government-owned banks.

2. To determine the differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position.

   Previous research has reported varied findings on demographic characteristics in relation to empowerment. This study, however, expects that the following differences in perception of empowerment will be reported across the demographic characteristics of age, gender, ethnicity, organisational tenure and job position for the two banks:

   H2a: Older employees will perceive higher empowerment than younger ones;
   H2b: Females will perceive higher empowerment than males;
   H2c: Members of the majority ethnic group will perceive higher empowerment than members of minorities;
   H2d: Employees with longer tenure will perceive higher empowerment than those with shorter tenure;
   H2e: Employees with higher job positions will perceive greater empowerment than those in lower job positions.
3. To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership).

H3a: Empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership).

Taking into consideration that empowerment is a multi-faceted construct, it consists of meaning, impact, self-determination and competence (Spreitzer, 1995; Thomas & Velthouse, 1990). Thus, it is also anticipated that:

H3b: The meaning facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership);
H3c: The impact facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership);
H3d: The self-determination facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership);
H3e: The competence facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership).

4. To ascertain the relationship between empowerment and intrinsic motivation.

H4: Empowerment is positively related to intrinsic motivation.

5. To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation.

H5: Leadership behaviour (i.e. transformational leadership and empowering leadership) mediates the relationship between empowerment and intrinsic motivation.
6. To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation.

H6: Empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation.

7. To identify the understanding and definition of empowerment among bank managers.

Due to the different ownership structures, the study hopes to reveal a contrasting scope of understanding of empowerment between managers of private and government-owned banks.

8. To reveal the empowerment process within Malaysian banks.

As a consequence of differences in ownership structure, dissimilar processes of empowerment will be uncovered in the two types of bank.

It is important to recognise that the above objectives are of two kinds: descriptive and explorative in nature. This is to be expected, considering the diverse gaps that the study aims to address. Therefore, different research methods are employed to cater for the uniqueness of these two kinds of research objectives. These are explained in the next section.

1.3 Research methodology

This study adheres to pragmatism as the research paradigm, an alternative to positivism and interpretivism (Tashakkori & Teddlie, 1998). Pragmatism is based on the premise that truth is ‘what works’, using diverse approaches and valuing both objective and subjective knowledge (Hanson, Creswell, Plano Clark, Petska & Creswell, 2005; Tashakkori & Teddlie, 1998). Pragmatic researchers are said to emphasise the research problem and favour the use of all available approaches to understand it (Creswell, 2009).
From this stance on the research paradigm, the study utilises a mixed methods approach that is cross-sectional in nature; in the research design, both quantitative and qualitative data were collected, using a questionnaire and semi-structured interviews. Specifically, a concurrent embedded strategy of mixed methods design which emphasises quantitative data over qualitative data is employed (Creswell, 2009). More precisely, the study combines the quantitative questionnaire and qualitative semi-structured interviews, the latter being embedded as a secondary method within the former as the primary method, during a single data collection phase (Creswell, 2009). Moreover, it has been noted that the limited existing empowerment research into banking tends to focus on either quantitative or qualitative methods, with little use of the mixed method approach (e.g. Ergeneli et al., 2007; Kappelman et al., 1996; Melhem, 2004; Wat & Shaffer, 2005). It should be noted that of the eight research objectives formulated above, the first six are quantitative type and were therefore addressed by the questionnaire, whilst the last two, being qualitative, were addressed through the semi-structured interviews.

The design of the questionnaire and interviews were both based on the review of the literature. There were two linguistic versions of the questionnaire, in Malay and English, whose measures (i.e. psychological empowerment, leadership behaviour and intrinsic motivation) were adopted from well validated scales available in the literature (Amabile, Hill, Hennessey & Tighe, 1994; Bass & Avolio, 1992; Northouse, 2004; Spreitzer, 1995; Spreitzer et al., 1997). As for the interview questions, these were mainly taken from D’Souza (2001) and a few were developed by the researcher on the basis of an in-depth literature review, in order to contribute further information to the study.

Considering the dearth of research into empowerment within banking organisations with different ownership structures, a study addressing these issues is relevant and significant (Ergeneli et al., 2007; Holden, 1999; Kappelman et al., 1996; Melhem, 2004; Sarkar, 2009; Wat & Shaffer, 2005). It provides an opportunity to re-examine the applicability of empowerment and its relation to other constructs within the narrow perspective of two organisations in a similar line of business, but with different ownership structures. Furthermore, the findings of this type of study can be hoped to further academic knowledge in the field of empowerment, not only within the context of banking but also with respect to other types of organisation in which the ownership structure is varied. It may also provide insight into the interaction between ownership structure and
empowerment, with the corollary that the cross-comparative, mixed methods research design can be extended.

Within the context of the study, a private bank is defined as a private, domestically owned banking institution, while a government-owned one is a banking institution owned by the Malaysian government under the Ministry of Finance Incorporated (MFI). There are two types of private domestic banking institution in Malaysia, conventional (nine banks) and Islamic (11 banks) (Malaysian Ministry of International Trade and Industry, 2009), both of which are commercial. Although Islamic banks are more numerous than conventional banks in Malaysia, the latter type was preferred over the former for the purpose of the present study, because the largest private banks in the country in terms of assets held are conventional and they undertake the widest scope of banking activities (Association of Banks in Malaysia, 2008; Sufian, 2006). Moreover, conventional banks are the most dominant and diversified of banking institutions and control the largest market share of the Malaysian banking sector (KPMG, 2009; Sheikh Omar Mohamud, 2009). Whereas private banks are commercial, those owned by the Malaysian government were established to complement the private domestic banking institutions with a specific mandate to develop and promote the strategic sectors of the national economy. To date, the government has established thirteen such banks, four of which also offer members of the public similar banking services to those of the private sector (Bank Negara Malaysia, 2010a). For the purpose of the study, only these four were considered for inclusion, being similar to the private banks in terms of customer segmentation (i.e. members of the public) and banking services.

A formal invitation to participate in the study was sent to all nine conventional domestic private banks and all four government-owned banks in Malaysia. Two agreed to participate: one private and one government-owned bank. The participating private bank is one of the leading and largest private banks in Malaysia, while the government-owned bank is one of the oldest of its type and has total assets in line with the majority of government-owned banks. Having said that, the findings of this study cannot, however, be generalised to other private and government-owned banks in Malaysia or to the wider population of Malaysian banking institutions, given the small sample of participating banks. The findings therefore have been cautiously interpreted within the parameter of the two participating banks in the study.
Participants who completed the questionnaire were mainly employees based at the head offices of the banks. In the case of the private bank, personal access for the researcher was granted to five departments in the head office, i.e. the human resources, marketing and sales, risk management, finance, and credit administration departments. Therefore, participants were from these five departments and a simple random sampling strategy underlay the participant recruitment process (Bryman, 2008; Ghauri & Gronhaug, 2005). In the government-owned bank, by contrast, no personal access was granted to the researcher. Instead, the human resources department requested copies of the questionnaire, which it then distributed to staff as it saw fit. Here, a non-random snowball sampling strategy formed the basis of the participant recruitment process (Denscombe, 2003; Lewis-beck, Bryman & Liao; 2004a). Meanwhile, participants for the semi-structured interviews were six senior managers from each of the two participating banks, selected by the human resources departments.

Various statistical techniques (t-test, one-way analysis of variance, Pearson correlation, regression analysis and Sobel test) were used to analyse the quantitative data collected from the questionnaire (Baron & Kenny, 1986; Ghauri & Gronhaug, 2005; Pallant, 2007; Sobel, 1982). The qualitative data gathered from the semi-structured interviews were subjected to thematic analysis to determine the themes, linkages and contrasts in opinion among the participants (Bryman, 2008; King, 2004; Miles & Huberman, 1994). The study harnessed the complementary potential of both research methods by integrating the findings. It confirmed the merits of the mixed methods approach and corroborated the views of many researchers that a combined approach yields more useful, rich and valid data to address research problems (e.g. Creswell, 2009; Lindebaum, 2008; Omar, 2003; Tashakkori & Teddlie, 1998; Woolnough, 2007).

1.4 The structure of the thesis

The thesis comprises eight chapters, including this first introductory chapter. Each chapter is now discussed in turn, with an explanation of its purpose and an outline of its content.

Chapters two and three present the literature review. Chapter two (Empowerment: A literature review) introduces the reader to the background of empowerment, including its conception and process. It also identifies the main area of empowerment investigation
absent from current academic literature: intrinsic motivation as the outcome of empowerment, with an emphasis on leadership behaviour as a possible mediating factor in the relationship.

Chapter three (Empowerment: A contextual review), on the other hand, addresses the research and organisational context of the current study. Specifically, it provides an assessment of the development of empirical research into empowerment within the under-studied organisational context of banking in Malaysia. The objectives of the study alongside their associated hypotheses are also articulated in the last part of this chapter, formulated through an integration of literature reviewed in chapters two and three.

Chapter four (Research Methodology) concerns the research methodology for the current study. It explains the rationale for the research paradigm, design and method. It also explains the analysis methods used. This is followed in chapter five (Results: The quantitative questionnaire) by a description of the comprehensive findings of the primary research: the questionnaire completed by 846 participants, i.e. 421 participants from the private bank and 425 from the government-owned bank. In this chapter, cross-comparison of findings between the two banks is explained according to the relevant research objectives.

Chapter six (Results: The qualitative semi-structured interview) describes the findings of the secondary research method, the semi-structured interviews with 12 senior managers. The findings from the two banks are discussed collectively, emphasising the emergent issues in relation to the similarities and differences between the two banks. Chapter seven (Discussion) brings together the two sets of findings and presents a thorough discussion of both. The findings are applied to the research objectives and interpreted with reference to the literature review, and are thus related to and contrasted with the literature. The study’s contribution to knowledge made at theoretical, methodological and practical levels is also emphasised.

Chapter eight (Conclusion) summarises the study, highlights its limitations and finally suggestions for future research are proffered.
1.5 Chapter summary

This chapter has introduced the topic of the thesis. It presents an overview of the theoretical rationale that underpins the objectives of the study. It also outlines the research methodology employed to address the objectives and explains the structure of the thesis.

The next chapter is the first part of the literature review, looking into the concept of empowerment, its process and interfaces with other constructs.
2 EMPOWERMENT: A LITERATURE REVIEW

2.1 Introduction

Empowerment is a vital element of the modern business environment. Getting closer to the customer, improving service delivery, continuous innovation, increased productivity, gaining the competitive edge – none of these things is possible unless organisations find new ways to empower their people (Smith, 2000, p. 2).

Empowerment has been increasingly regarded as an essential management strategy that aids organisations’ development and success in the current challenging and competitive business environment. Empowerment has risen in popularity because of the need for organisations to reduce overheads radically, to become greatly more efficient and to initiate serious cost-cutting in order to stay competitive (Kinlaw, 1995). Lanchinger et al. (2009) claim empowerment to be successful in creating positive work environments in organisations. It is regarded as a proven concept to improve the way an organisation uses its people (Kinlaw, 1995). Besides, there has been a growing body of empirical research that has consistently demonstrated an array of positive outcomes from empowerment at both employee and organisational levels, including increased job satisfaction (Ahmad & Oranye, 2010; Dewettinck & Ameijde, 2011; He et al., 2010; Seibert, Silver & Randolph, 2004), improved organisational commitment (Bordin et al., 2007; Hall, 2008; Kuo, Ho, Lin & Lai, 2010), better job performance (Hall, 2008), innovative behaviour (Abd. Ghani & Raja Hussin, 2008; Pieterse et al., 2010; Spreitzer, 1995), increased competitiveness (Ergeneli et al., 2007; Nielsen & Pedersen, 2003) and managerial effectiveness (Spreitzer, 1995).

Despite the remarkable and positive outcomes of empowerment that have been demonstrated empirically, it is noted that there remains a lack of empirical work focusing on its benefits for employee motivation in general and intrinsic motivation in particular. Although claims are made in the literature that empowerment is a way to improve motivation (Hopkins, 1995; Klagge, 1998; Lee & Koh, 2001) and some even suggest that it helps to stimulate intrinsic motivation (Beach, 1996; Mallak & Kurstedt, 1996; Thomas & Velthouse, 1990), empirical evidence in support of such claims is largely absent at present.
Thus, further investigation of the outcomes of empowerment on motivation, specifically intrinsic motivation, seems to be warranted.

Besides the outcomes of empowerment, factors that are crucial to the development of empowerment within the organisation are also often discussed in the literature. It has been suggested that certain factors may either facilitate or hinder the empowerment process in organisations. Many studies have identified such potential factors, including trust (Chan et al., 2008; Ergeneli et al., 2007; Moye & Henkin, 2006), job design (Kuo et al., 2010; Spreitzer, 1996), organisational structure (Spreitzer, 1996), access to information and resources (Samad, 2007; Spreitzer, 1995), culture (Dimitriades, 2005; Ergeneli et al., 2007) and demographics (Dimitriades & Kufidu, 2004; Hancer & George, 2003; Özaralli, 2003; Tuuli & Rowlinson, 2009).

Irrespective of great appeals to empowerment, it is argued that the benefits of empowerment have not always been realised (Dewettinck & Ameijde, 2011) and leadership behaviour is claimed as a very strong driver, among others, of the success of empowerment in an organisation (Ahearne et al., 2005; Bordin et al., 2007; Laschinger et al., 2009). Although empirical studies have examined leadership behaviour as a factor influencing empowerment (Carless, 2004; Choi, 2006; Masi & Cooke, 2000; Meyerson & Kline, 2008), it is important to note that the focus has been on leadership behaviour as the antecedent to empowerment (Chiang & Jang, 2008; Dewettinck & Ameijde, 2011; Ismail, et al., 2009; Kirkman & Rosen, 1999; Pieterse et al., 2010; Siegall & Gardner, 2000). Empirical work taking a different view of this relationship, i.e. seeing empowerment as the antecedent to leadership behaviour, or even investigating the latter as a mediating variable in the relationship between empowerment and its outcomes, appears to be rather limited.

This chapter constitutes the first part of a review of extant empowerment literature that supports the position of the current study. It identifies the main areas of investigation absent from current academic literature, addressing intrinsic motivation as the outcome of empowerment with an emphasis on leadership behaviour as having a possible mediating role in the relationship between empowerment and intrinsic motivation. Chapter 3 then provides the contextual review, addressing the research and organisational context of the study.
The present chapter begins with a discussion of the various definitions of empowerment and outlines the debates concerning the overabundant definitions of empowerment found in the literature (Greasley et al., 2005; Menon, 2001; Perkins & Zimmerman, 1995). It proceeds to describe the evolution of the concept of empowerment and explicates two prominent views of it. Next, contemporary measures of empowerment are presented and the strengths and weaknesses of each measure highlighted. This is followed by a detailed description of the empowerment process, which provides a useful framework for the current study to investigate empowerment within the context of work organisations. The process is seen as comprising stages of empowerment, with an emphasis on antecedent conditions for empowerment, the empowering experience and the expected behavioural consequences. The chapter continues with a discussion of factors influencing empowerment and identifies leadership behaviour as the most influential (Ahearne et al., 2005; Bordin et al., 2007; Lashinger et al., 2009). It explores intrinsic motivation as an outcome of empowerment to account for the scarcity of research into the presumed link between two (Gagné et al., 1997; Hechanova et al., 2006; Zhang & Bartol, 2010). There is then a discussion of the growing challenges to empowerment in organisations and some unsuccessful attempts to empower people in organisations (Smith, 2000), in keeping with the main concern of the current study. The chapter concludes with a summary.

2.2 The meaning of empowerment

The meaning of empowerment has been subject to great debate and criticism since the concept’s popularisation during the past two decades (Greasley et al., 2005; Kinlaw, 1995; Menon, 2001; Spreitzer, 2008). It is argued that empowerment is a poorly defined concept and is frequently used rhetorically (Greasley et al., 2005). Holdsworth (2007) states that there is no one definition of what empowerment is likely to be, while Chênevert and Tremblay (2009) argue that the empowerment concept has spawned diverse meanings. Similarly, Perkins and Zimmerman (1995) claim that conceptions of empowerment abound. It is suggested that the multiple elements of empowerment have made it a complicated concept to define (Honold, 1997). Clutterback and Kernaghan (1994) highlight that part of the problem with understanding and implementing empowerment lies with the difficulty of defining precisely what empowerment is. It has been observed that the effort to have a standard definition of empowerment in literature seems to be painful. Honold (1997) asserts that the task of finding an exact definition of empowerment is a daunting
one. In view of the above remarks, it is not surprising that different authors use different words to explain empowerment, perhaps because they look at empowerment from different perspectives, which would indeed create confusion as to its meaning. As empowerment is the main area of investigation of the current study, it is necessary here to explore the different interpretations of its meaning and the variations in its definition.

At a very broad level, the Oxford Dictionary (2009) defines empowerment as the giving of authority or power to others. The Business Dictionary (2009), on the other hand, offers a more refined meaning of empowerment as a management practice of sharing information, rewards and power with employees so that they can take initiatives and make decisions to solve problems and improve service and performance. Smith (2000) somewhat integrates the above two definitions and describes the meaning of empowerment in the following quote:

   Empowering people means encouraging them to become more involved in the decisions and activities that affect their jobs. It means providing them with the opportunity to show that they can come up with good ideas and that they have the skills to put these ideas into practice (p. 2).

A comprehensive definition of empowerment is offered by Chan et al. (2008), who describe empowerment as ‘a social exchange-driven process which requires managers to relinquish dependence on power and control and instead use cooperation and facilitation in relating with their subordinates’ (p. 445). In subscribing to the same notion, Carless (2004) suggests empowerment as ‘giving employees the autonomy to make decisions about how they go about their daily activities’ (p. 405).

Further analysis of the empowerment literature reveals that diverse meanings of empowerment have been proposed by academics. Table 2.1 lists several definitions drawn from the literature to indicate their variety.
Table 2.1: Various definitions of empowerment  
(Adapted from Holdsworth, 2007)

<table>
<thead>
<tr>
<th>Scholar</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zemke &amp; Schaaf (1989)</td>
<td>A means to introduce a discretionary element into each individual’s work role.</td>
</tr>
<tr>
<td>Thomas &amp; Velthouse (1990)</td>
<td>The cognition held by individual employees.</td>
</tr>
<tr>
<td>Ripley &amp; Ripley (1993)</td>
<td>Vesting the organisation with the new practices in which employees have decision-making and approval authority.</td>
</tr>
<tr>
<td>Makin, Cooper &amp; Cox (1996)</td>
<td>A process of delegation of decision-making together with the need for people to take more accountability for their behaviour at work.</td>
</tr>
<tr>
<td>Smith (2000)</td>
<td>Encouraging individuals to become more involved in the decisions and activities that affect their jobs.</td>
</tr>
<tr>
<td>Lee &amp; Koh (2001)</td>
<td>Combination of the psychological state of a subordinate, which is influenced by the empowering behaviours of supervisors.</td>
</tr>
<tr>
<td>Val &amp; Lloyd (2003)</td>
<td>Managerial style where managers share with the members of the organisation their influence in the decision-making process.</td>
</tr>
<tr>
<td>Alsop, Bertelson &amp; Holland (2007)</td>
<td>The capacity of an individual or group to make purposive choices and to transform those choices into desired actions and outcomes.</td>
</tr>
<tr>
<td>Baird &amp; Wang (2010)</td>
<td>Delegation of power and responsibility from higher levels in the organisational hierarchy to lower level employees.</td>
</tr>
</tbody>
</table>

Table 2.1 suggests an almost endless array of definitions of empowerment and that there is no agreement on a definition that can be drawn from the literature. Shields (1995) astutely notes the seemingly endless number of such definitions and argues that the one chosen must depend on the discipline and interests of a particular scholar. Shor and Friere (1987) subscribe to a similar view and contend that scholars’ individual and/or social perspectives are decisive in the way they conceptualise empowerment. Erstad (1997) further points out that despite the large range of definitions, the goal of each is to develop the performance and potential of the individual as well as the organisation.

The overabundance of definitions in the literature is perhaps related to the numerous disciplines that have shown an interest in the nature of empowerment. These include nursing (Appelbaum & Honegger, 1998; Laschinger, Finegan, Shamian, & Wilk, 2001; Stewart, McNulty, Griffin & Fitzpatrick, 2010), accounting (Drake et al., 2007), psychology (Spreitzer, 1995; Thomas & Velthouse, 1990), education (Dee et al., 2003), human resources (Biron & Bamberger, 2010; Chênevert & Tremblay, 2009) and marketing
Given the variety of disciplines that have examined the nature of empowerment, it should be understood that to reach a consensus on its definition will be challenging. It is therefore safe to say that it is rather a complex concept and this could place limitations on fully understanding the empowerment process. ‘Because the conceptual and operational definitions of empowerment often differ from one study to another, more research is needed to better articulate the nomological net of the construct of empowerment’ (Meyerson & Kline, 2008, p. 445).

In broad terms, the many definitions in Table 2.1 indicate two major views of empowerment presented in the literature. Some emphasise empowerment as a management tool or technique in organisations. Among popular management techniques frequently observed to be linked to empowerment are job enrichment (e.g. Herzberg, 1966), job autonomy (e.g. Hackman & Oldham, 1976), participative management (e.g. Block, 1990), employee involvement (e.g. Bowen & Lawler, 1992), self-leadership (e.g. Mans & Sims, 1991) and recently self-managing teams (e.g. Kirkman & Rosen, 1999; Seibert et al., 2004). Others view empowerment as a psychological state of the individual being empowered, which generally refers to the individual’s perception and experience of empowerment (Greasley et al., 2005).

Empowerment as a psychological construct has received comparatively little attention (Dee et al., 2003), in contrast to the other empowerment construct of management technique. Besides, empowerment as management technique has been criticised for its limited usefulness as a scientific construct and its inability to capture the true meaning of empowerment (Spreitzer, 1995; Thomas & Velthouse, 1990). This study therefore hopes to conceptualise empowerment from the psychological perspective of the individual being empowered, rather than as a management technique. The next two sections present in detail the rationale for this approach, discussing the two major views of empowerment emerging from the literature and highlighting the relative strengths of the psychological construction.
2.3 The concept of empowerment: A structural approach

This section will address the first view of empowerment, as a management technique. This concept of empowerment is rooted within the organisational context and generally sees it as actions taken by organisations to share power and decision-making (Hechanova et al., 2006). In an attempt to provide an integrated definition, Ahearne and colleagues (2005) propose empowerment in this view as ‘a practice or set of practices involving the delegation of responsibility down the hierarchy so as to give employees increased decision-making authority in respect to the execution of their primary work tasks’ (pp. 945-946). A review of the literature reveals that this view is commonly described as a structural approach to empowerment (Biron & Bamberger, 2010; Cho & Faerman, 2010; Menon, 2001; Mills & Ungson, 2003; Spreitzer, 2008). It is regarded as a traditional perspective and is sometimes known as role empowerment (Logan & Ganster, 2007) or the relational approach to empowerment (Carless, 2004; Conger & Kanungo, 1988; Ergeneli et al., 2007). Given the term’s popularity, ‘structural empowerment’ will be used throughout this thesis to refer to empowerment as a management technique.

An award-winning ethnographic study by Kanter (1977) serves as an important theoretical framework for structural empowerment (Knol & Linge, 2009; Spreitzer, 2008). This study of an industrial organisation was conducted at a time when more women were entering work organisations. Kanter (1977) argues that structural factors within the work environment have a greater impact on employee work attitudes and behaviour than personal predispositions or socialisation experiences (Laschinger, 2009; Ning, Zhong, Libo, & Qiuje, 2009). She considers power to be a central structural determinant of organisational behaviours and attitudes, and further perceives power as opportunity, information, support and resources (Spreitzer, 2008). Her structural theory suggests that having access to information, receiving support, having access to resources necessary to do the job and having the opportunity to learn and grow are the structures within organisations that are particularly important to the growth of empowerment (Laschinger et al., 2001; Loughman, Snipes, & Pitts, 2009).

In relation to Kanter’s theory, structural empowerment emphasises the building of more democratic organisations through the sharing of power between superiors and subordinates, with the goal of cascading power to lower levels of the organisational
hierarchy (Spreitzer, 2008). Power in the structural empowerment context is viewed as the possession of formal authority or control over organisational resources (Conger & Kanungo, 1988). Similarly, Menon (2001) suggests that power is the thrust of structural empowerment and regards the approach as the granting of power and decision-making authority throughout the organisation, through increased delegation of authority down the chain of command.

The term ‘power’ is widely used by social scientists to describe structural empowerment, which is apparently consistent with Kanter’s theory. Dee et al. (2003), for instance, claim that the structural approach focuses on the sharing or transfer of power from higher to lower organisational echelons. Some perceive the approach as the transmission of power in organisations to those who were previously less powerful (Ergeneli et al., 2007). Others consider structural empowerment as a set of policies and practices intended to grant employees more power, control and authority (Greasley, et al., 2008). Carless (2004) also highlights this aspect and refers to the approach as practices that decentralise power by involving employees in decision-making. Despite the various attempts to describe the structural approach in relation to power, it is observed that most descriptions signify the concept of empowerment in terms of employee participation in the decision-making process. In other words, the emphasis of the structural approach primarily embodies the notion of sharing authority (Conger & Kanungo, 1988).

Conger and Kanungo (1988) argue that the structural approach to empowerment does not adequately address the nature of empowerment as experienced by employees. They claim that the approach does not pay sufficient attention to the nature and the processes underlying the empowerment construct, pointing out that management practices which foster empowerment are poorly understood and catalogued. Tuuli and Rowlinson (2009) criticise the structural approach for its failure to address the cognitive state of those being empowered. The approach neglects the individuals’ experiences in the empowerment process (Chan et al., 2008; Spreitzer, 1995; Thomas & Velthouse, 1990). Elsewhere, Spreitzer (1995) argues that management practices, such as delegation of decision making and access to information and resources, are only one set of conditions and that those practices may empower employees but will not necessarily do so. Similar ideas are shared by Siegall and Gardner (2000), who contend that the true benefits of empowerment will not be seen unless people first perceive themselves as being empowered. Empowerment
can really only be said to have occurred if individuals believe that they have been empowered; therefore they cannot be empowered without feeling that they are (Greasley et al., 2008).

Other important arguments have been raised in the literature as to whether employees are automatically empowered when authority and resources are shared, or whether empowerment consists only of employee participation and sharing of organisational resources (Ergeneli et al., 2007). Kotze, Menon and Vos (2007), for example, remark that there is no guarantee that organisational policies (the act of granting power to an employee) will necessarily create a subjective feeling of empowerment within the individual. A detailed criticism of the structural approach is provided by Spreitzer (2008):

Although this approach has garnered much attention by practitioners because it helps them see how the kinds of managerial actions can facilitate empowerment at work, it is limited because it provides an organisation-centric perspective of empowerment. It does not address the nature of empowerment as experienced by employees. This is important because in some situations power, knowledge, information and rewards were shared with employees yet they still felt disempowered. And in other situations, individuals lacked all the objectives features of an empowering work environment yet still felt and acted in empowered ways (p. 56).

The criticisms of structural empowerment reflect the deficiencies in this approach to understanding empowerment and prompt the need for an alternative approach which could overcome these deficiencies. This is when the new interpretation of empowerment, which draws heavily on individual psychology, begins to emerge. Yukl (2002) emphasises that one reason it is important to consider the psychological process of empowerment is that it attempts to explain when and why efforts to empower people are likely to be successful. This new psychological approach to empowerment is discussed next.
2.4 The concept of empowerment: A psychological approach

Empowerment is not something that management does to employees, but rather a mind-set that employees have about their role in the organisation. While management can create a context that is more empowering, employees must choose to be empowered. They must see themselves as having freedom and discretion; they must feel personally connected to the organisation, confident about their abilities and capable of having an impact on the system in which they are embedded (Quinn & Spreitzer, 1997, p. 41).

The above description best covers the meaning of empowerment within the psychological approach. In contrast to the structural approach, which equates empowerment with the delegation of authority and resource sharing (Spreitzer & Doneson, 2008), the psychological approach emphasises the individual experience of empowerment: what individuals have to feel in order for interventions to become effective, rather than specific management practices intended to empower individuals (Dewettinck & Ameijde, 2011; Spreitzer et al., 1997). It is concerned with whether or not employees perceive themselves as being empowered (Ergeneli et al., 2007; Spreitzer, 1995; Thomas & Velthouse, 1990). It is also regarded as a mindset that employees have about their organisation, rather than as something that an organisation does to its employees (Dee et al., 2003).

Conger and Kanungo (1988) are two of the earliest scholars to initiate attempts to clarify empowerment from the psychological perspective. Their work on psychological empowerment draws heavily on Bandura’s notion of self-efficacy:

Self-efficacy is concerned with judgements of how well one can execute courses of action required to deal with prospective situations (Bandura, 1982). Self-efficacy judgments...influence choice of activities and environmental settings. People avoid activities that they believe exceed their coping capabilities but they undertake and perform assuredly those that they judge themselves capable of managing. Judgments of self-efficacy also determine how much effort people will expend and how long they will persist in the face of obstacles or aversive experiences. When beset with difficulties people who entertain serious doubts about their capabilities slacken their efforts or give up altogether, whereas those who have a strong sense
of efficacy exert greater effort to master challenges (Bandura, 1982). Judgements of self-efficacy are based on four principal sources of information. These include performance attainments; vicarious experiences of observing the performances of others; verbal persuasion and allied types of social influences that one possesses certain capabilities; and physiological states from which people partially judge their capability, strength and vulnerability (Bandura, 1982).

(Appelbaum & Honnegar, 1998, p. 32)

With the influence of Bandura’s self-efficacy theory on their work, Conger and Kanungo (1988) view empowerment as a motivational construct of self-efficacy – to enable rather than simply to delegate – and argue that there are various other conditions of empowering besides delegation and participation. More specifically, Thomas and Velthouse (1990) propose to conceptualise empowerment as a process of enhancing feelings of self-efficacy among organisational members through the identification of conditions that foster powerlessness and through their removal by both formal organisational practices and informal techniques of providing efficacy information.

Thomas and Velthouse (1990) consider the conceptualisation offered by Conger and Kanungo (1988) as too general and suggest improvements. They extend the concept of empowerment as motivation and make it more precise by referring to intrinsic task motivation. Thomas and Velthouse (1990) argue that empowerment is multifaceted and that its essence cannot be captured by a single concept of self-efficacy. As a result, Thomas and Velthouse (1990) improve Conger and Kanungo’s ideas with the development of a theoretical framework conceptualising empowerment as intrinsic task motivation manifest in four cognitions that reflect the employees orientation to work (Spreitzer, 2008). The four cognitive variables are identified as meaningfulness, competence (self-efficacy), choice and impact. As competence and self-efficacy have similar meanings (the degree to which a person can perform task activities skilfully, when he or she tries), Thomas and Velthouse (1990) use ‘competence’, deeming it to be a simpler term than ‘self-efficacy’. Accepting this assessment, the term ‘competence’ will be used throughout this thesis in preference to ‘self-efficacy’.

Spreitzer (1995) basically provides her agreement with the definition of psychological empowerment offered by Thomas and Velthouse but further refines the four cognitive
dimensions as meaning, competence, self-determination and impact (Chiang & Jang, 2008). Spreitzer renames choice as self-determination, based on Deci and Ryan’s (1985) argument that the central issue in self-determination is the experience of choice. Thomas and Velthouse (1990) acknowledge the argument made by Deci and Ryan (1985) but prefer to refer to choice rather than self-determination. This thesis follows Spreitzer’s recommendation, employing the term ‘self-determination’. The description of each of the four cognitive dimensions (meaning, competence, self-determination and impact) follows hereafter.

2.4.1 Meaning

Meaning refers to the value of a work goal or purpose, judged in relation to an individual’s own ideals or standards (Thomas & Velthouse, 1990) and is analogous to Hackman and Oldham’s (1980) concept of meaningfulness. The term ‘meaning’ implies the individual’s intrinsic caring about a given task (Thomas & Velthouse, 1990), which involves a fit between the requirements of a work role and beliefs, values and behaviours (Hackman & Oldham, 1980; Spreitzer, 1995). Yukl (2002) explains meaning as the situation when the content and consequences of the work are consistent with a person’s values and ideals. Holdsworth (2007), on the other hand, describes meaning as the opportunity individuals feel to pursue a worthy task objective. Holdsworth (2007) elaborates meaningfulness as being an individual’s feeling that he or she is doing something that is worth time and effort, that is worthwhile in the larger scheme of things. A slightly broader description of meaning is offered by Quinn and Spreitzer (1997), as being when employees feel that their work is important to them and care about what they are doing. According to Thomas and Velthouse (1990), employees’ perceptions (of how meaningful their tasks are) are believed to affect their feelings of empowerment.

2.4.2 Competence (self-efficacy)

Competence, the second cognitive dimension, stems from the study by Bandura (1977) of self-efficacy (Carless, 2004; Thomas & Velthouse, 1990) in the clinical psychological literature. Bandura (1977) argues that high self-efficacy tends to result in initiating behaviours, high effort and persistence in the face of obstacles, whereas low levels of self-efficacy result in individuals avoiding situations that require certain skills and therefore
prevent them from learning and gaining relevant competencies (Holdsworth, 2007). Thomas and Velthouse (1990) prefer the concept of competence over self-efficacy, defining it as the degree to which a person can perform task activities skilfully when he or she tries. This is consistent with Bandura’s notion of self-efficacy (1977) as detailed at the beginning of the psychological empowerment section. Accordingly, Spreizer (1995) refers to competence as an individual’s belief in his or her capability to perform task activities with skills. For Yukl (2002), competence exists when the person has high confidence about being able to do the work effectively. Meanwhile, Ergeneli et al. (2007) advocate competence as the strongest control mechanism for empowerment, which only works when employees are competent.

### 2.4.3 Self-determination (choice)

The third cognitive dimension, self-determination, concerns the individual’s sense of choice in the initiation and regulating of actions (Hancer & George, 2003; Spreitzer, 1995). It signifies the perception of autonomy in the initiation and continuation of work behaviours and processes (Carless, 2004; Dewettinck & Ameijde, 2011). Ergeneli et al. (2007) explain self-determination as the degree to which employees feel a causal responsibility for choosing or regulating task actions, whereas Yukl (2002) describes self-determination as being when the person has the capability to determine how and when the work is done. Self-determination is similar in meaning to Deci and Ryan’s (1985) ‘locus of causality’ (Carless, 2004). Holdsworth (2007) asserts that the self-determination dimension reflects the locus of causality, which is concerned with whether an individual’s behaviour is deemed to be self-determined, whilst Hancer and George (2003) argue that people who experience higher levels of self-determination tend to be more motivated to exercise control over their environment, because they believe themselves to have a more internal locus of causality. In contrast to competence, which reflects an individual’s beliefs about the mastery of behaviour, self-determination in general reflects a choice of behaviour (Carless, 2004).
2.4.4 Impact

Alongside the above three dimensions, that of impact completes the cognitive state of psychological empowerment. Thomas and Velthouse (1990) define impact as the degree to which behaviour is seen as ‘making a difference’ in terms of accomplishing the purpose of the task, that is, producing the intended effects in one’s task environment. Specifically, impact refers to the extent of personal control over organisational outcomes or the belief that one can make a difference at work (Carless, 2004). Elsewhere, Spreitzer (1995) refers to impact as the degree to which an individual can influence strategic, administrative or operating outcomes at work. According to Yukl (2002), impact is when the person believes it is possible to have a significant effect on the job and work environment. It means that the employee feels that the work has consequences beyond the immediate job (Thomas & Velthouse, 1990). The general notion of impact has been studied under various labels, including ‘locus of control’ (Lee & Koh, 2001), which has a meaning similar to impact: the extent of a person’s belief that actions taken can affect outcomes (Salazar et al., 2006). However, impact is argued to be different from locus of control, in that it relates to the work context, whereas internal locus of control is a general personality characteristic applicable in all situations (Lee & Koh, 2001; Spreitzer, 1995).

Together, these four cognitive dimensions reflect an active rather than a passive orientation to a work role (Spreitzer, 1996). An active orientation is manifest in individual desires and feelings that a person is able to influence his or her work role and context (Moye & Henkin, 2006). It is argued that only together can these dimensions produce the proactive essence of empowerment (Dewettinck & Ameijde, 2011). The four dimensions need to be combined additively to create an overall construct of psychological empowerment, according to Spreitzer (1995), who argues that the lack of any one of them will deflate, if not completely eliminate, the overall perception of empowerment. If any dimension weakens, the employee’s sense of empowerment will lessen. Any formula to ensure high levels of empowerment should thus be reflected by high scores in all the dimensions (Lee & Koh, 2001). While some dimensions may reinforce each other (e.g. a greater sense of self-determination may reinforce greater meaning) (Holdsworth, 2007), Spreitzer (1995) and Thomas and Velthouse (1990) suggest that each dimension adds a distinct aspect to an individual’s feeling of empowerment.
Despite the distinguishing characteristics of each perspective, there is evidence to suggest that psychological empowerment and structural empowerment are interrelated. Laschinger et al. (2001) argue that psychological empowerment can be considered an outcome of structural empowerment. Another study, by Seibert et al. (2004), proposes a link between the two approaches and claims that structural empowerment helps to shape psychological empowerment. Similarly, Menon (2001) suggests psychological empowerment as a mediator between empowering acts (structural empowerment) and employee outcomes, such as satisfaction and organisational commitment. It is also argued that delegation (structural empowerment) is an environmental variable that shapes the four cognitive dimensions of psychological empowerment (Thomas & Velthouse, 1990). Interestingly, Matthews et al. (2003) suggest that to develop a truly empowering programme, elements must be drawn from both perspectives, which implies that both are important in nurturing empowerment within the organisation. Utilising one perspective alone will not generate the desired outcome, whereas if both are in place they will create an empowered workforce better able to achieve a competitive advantage (Conger & Kanungo, 1988; Matthews et al., 2003; Quinn & Spreitzer, 1997).

Empowerment is regarded as an effective tool for developing both employees and organisations. However, there are arguments that empowerment sounds good in theory but fails to empower employees practically. Smith (2000) argues that empowerment is not used widely enough because employees frequently see it as a ‘nothing’ option. Organisations can introduce empowering work practices, but unless employees believe they are empowered, the practices will not be as effective (Holdsworth, 2007). It is the individuals’ perceptions of their working environments that shape empowerment rather than some objective reality (Spreitzer, 1996). Similarly, Matthews et al. (2003) maintain that empowerment is achieved only when psychological states produce a perception of empowerment within the employee. Given the diverse actions that can be construed as empowerment (e.g. job enrichment, employee involvement, self-managed workgroups), it is more efficient from a research standpoint to focus on the psychological state of the employee (Menon, 2001). Regardless of the type of action used to describe empowerment, the common denominator is the intended effects of the various actions on individual employees. Hence, to understand the empowerment process, it is more efficacious to study empowerment from the perspective of an individual employee, as the expected benefits will be realised only if the employees actually experience empowerment; i.e. if they are in the psychological state.
of empowerment (Menon, 2001). It is thus becoming increasingly difficult to ignore the importance of psychological empowerment in the work context.

It was mentioned earlier that the two perspectives are of equal importance in generating the desired outcomes of empowerment (Matthews et al., 2003), but more attention has been placed on structural empowerment (Dee et al., 2003). There is a need for a better balance between the two perspectives, which need to be researched equally. Besides, the growing consensus on the conceptualisation and development of a sound and validated measurement of psychological empowerment should enable future studies to systematically review both the theoretical and empirical evidence of the effects of empowerment in the workplace (Dewettineck, Singh, & Buyens, 2003). In view of the lack of attention to psychological empowerment and of a sound and validated measure, psychological empowerment represents the primary focus of this study. Henceforth, all of the discussion will refer specifically to psychological empowerment, whose measurement will be discussed next.

2.5 The measurement of psychological empowerment

The interest in psychological empowerment has led to the development of several scales that are intended to measure its level in a workplace setting (Matthews et al., 2003). While such measures are limited in number (Akey, Marquis and Ross, 2000), a review of the literature reveals two main scales commonly used by researchers and which were developed by Menon (2001) and Spreitzer (1995). Those psychological empowerment scales lacking clear independent empirical support for their reliability and validity (e.g. Chiles & Zorn, 1995; Thomas & Tyman, 1994) are not included for discussion in this section. The following subsections describe each measurement and assesses its reliability and construct validity. The strengths and weaknesses of each measurement are also highlighted.

2.5.1 Menon (2001)

Menon (1999; 2001) argues that at the root of the empowerment construct is the concept of employee experienced power. Based on his review of the major approaches to the experience of power in conjunction with the various streams of empowerment research, Menon (2001) proposes three major psychological facets of power underlying the
empowerment process: (1) power as perceived control, (2) power as perceived competence and (3) power as being energised toward achieving valued goals (goal internalisation). Perceived control refers to beliefs about autonomy in the scheduling and performance of work, availability of resources, authority and decision-making latitude (Menon, 2001). Perceived competence reflects role mastery with respect to self-efficacy and confidence vis-à-vis role demands (Menon, 1999; 2001), whereas goal internalisation represents the enabling power of ideas, such as a valued cause, mission or vision for the future, i.e. the individual believes and cherishes the goals of organisation and is ready to act on its behalf (Menon, 2001). The subscales of Menon’s measurement system correspond to three dimensions: perceived control (e.g. ‘I can influence the way work is done in my unit’), perceived competence (e.g. ‘I have the skills and abilities to do my job well’) and goal internalisation (e.g. ‘I am inspired by the goals if the organisation’) (Kotze, Menon & Vos, 2007). There are a total of 15 items (each of the three subscales is represented by five items) and responses are based on a seven-point Likert-type format, where 1 indicates strong disagreement and 7 strong agreement. The scale was originally tested on a sample of part-time business students in Montreal’s two French and two English universities, who were also employed full time. It should be noted that the scale is formatted as a bilingual questionnaire in French and English.

Analysis has shown that items within each subscale were, by and large, significantly correlated with each other (mean $r = 0.51$), whereas items from dissimilar subscales had relatively low correlation with each other (mean $r = 0.26$). To validate the scale, Menon (2001) conducted a construct validity assessment of its psychometric properties. The purpose of testing construct validation is to determine whether the test assesses empirically what it purports to measure theoretically (Lindebaum, 2008). A principal components factor analysis using varimax rotation was carried out on the scale. Three factors were found, corresponding to perceived control, perceived competence and goal internalisation. In the interest of brevity and subscale purity, Menon (2001) decided to drop six items from further analysis due to lower factor loadings on their respective factors. This has left the scale with a total of nine items, three on each subscale. A confirmatory factor analysis (CFA) of these nine items revealed good fit indices: adjusted goodness-of-fit index (AGFI) = 0.93, root-mean square error approximation (RMSEA) = 0.05, normed fit index (NFI) = 0.96 and Tucker-Lewis index (TL) = 0.97. Menon (2001) also conducted a reliability test on his scale for further validation. The reliability test assesses the degree to which the items
that make up the scale all measure the same underlying attribute (Field, 2009; Pallant, 2007) and Nunnally (1978) recommends 0.70 as a minimum level alpha value. The results showed acceptable alpha reliabilities for perceived control (0.83), perceived competence (0.80) and goal internalisation (0.88). The test-retest reliabilities of the three subscales were also acceptable: 0.87, 0.77 and 0.86 respectively.

To provide for the generalisability of the scale, Menon and his colleague Hartmann (2002) extended it to an Australian sample: 266 employed individuals taking courses at a university in South Australia. Principal component analysis with varimax rotation yielded a three-factor structure which explained 67 per cent of variance and corresponded to the three dimensions of perceived control, perceived competence and goal internalisation. Similar to the pattern with the original study in 2001, the last two items from each of the three subscales were dropped from further analysis due to lower factor loadings. This left a nine-item scale of three items per subscale. All three subscales yielded acceptable alpha reliabilities: 0.87, 0.81 and 0.86 respectively for perceived control, perceived competence and goal internalisation. A relatively modest correlation was reported among the subscales: 0.15 for perceived control and perceived competence, 0.14 for perceived competence and goal internalisation, and 0.36 for perceived control and goal internalisation. In brief, the results of this replication study demonstrate the usefulness of psychological empowerment characterised by the dimensions of perceived control, perceived competence and goal internalisation.

Menon’s scale has been validated by other empirical studies. Dimitriades (2005), for example, adopted it to assess psychological empowerment among employed mature students enrolled in two tertiary education institutions in Athens and Thessaloniki. The aim was to validate Menon’s instrument in a culturally diverse environment. All three dimensions were moderately correlated with one another (mean $r = 0.40$), indicating that the scale contains three relatively distinct components which jointly influence the total empowerment score (Dimitriades, 2005). A principal component analysis yielded a three-factor structure explaining 61.1 percent of variance and corresponding to the three dimensions of perceived control, perceived competence and goal internalisation, with eigenvalues reported as 2.47, 1.70 and 2.55 respectively. It was also reported that all items had relatively high loadings on their associated components and relatively low loadings on all other factors. The internal consistency of Menon’s scale was also estimated and there

50
was a favourable alpha value for each dimension (0.75, 0.71 and 0.75 respectively) and for the total scale (0.79).

In another empirical study that adopted Menon’s instrument, Krishna (2007) examined a sample of software programmers in India. The intention was similar to that of Dimitriades (2005): to examine the validity and reliability of Menon’s instrument in a culturally diverse context. The three dimensions developed by Menon were confirmed. Firstly, the items within each subscale were reported to be significantly correlated with each other (mean \( r = 0.63 \)), whilst items from dissimilar subscales had relatively low correlation with each other (mean \( r = 0.21 \)). Secondly, a principal component analysis with varimax rotation yielded three factors with eigenvalues greater than one. Bartlett’s test of sphericity was significant and the Kaiser-Meyer-Olkin measure of sampling was acceptable (0.73). In total, the three factors accounted for 75.7 per cent of the variance. Thirdly, all three subscales had acceptable alpha reliabilities: perceived control = 0.75, perceived competence = 0.88 and goal internalisation = 0.85. Finally, the CFA yielded good fit indices: goodness-of-fit index (GFI) = 0.96, AGFI = 0.93, NFI = 0.97, comparative fit index (CFI) = 0.99 and RMSEA = 0.05.

The above statistical findings provide an indication of the scale’s usefulness in measuring the psychological empowerment construct. Furthermore, Menon's scale has been proven to provide some degree of cross-national generalisability by being validated in culturally dissimilar countries. It is important to establish the validity and psychometric properties of a scale in other geographic or cultural settings before conclusions of generalisability and universal applicability can be drawn (Menon & Hartmann, 2002). Contrary to the claims of Menon and Hartmann (2002) for the generalisability of the scale in diverse cultural contexts, however, it is possible to argue that its validation in other geographic, cultural or even religious settings is still lacking. It is noted that most of the samples (e.g. Dimitriades, 2005; Menon, 2001; Menon & Hartmann, 2002) were of employed university students from diverse organisations, whereas Krishna (2007) used a sample of software programmers. Such limited variety is insufficient to support the scale’s generalisation to other organisational contexts, including banking, hotels, government departments and hospitals. Furthermore, due to the customer-employee relationship, empowerment is regarded as highly important for services organisations (He et al., 2010; Hechanova et al., 2006; Ueno, 2008). Thus, empirical evidence in this type of organisational setting is highly desirable.
2.5.2 Spreitzer (1995)

Beside that of Menon (2001), Spreitzer’s (1995) scale is the alternative validated measure of psychological empowerment reported in the literature. As mentioned in section 2.4, Spreitzer (1995) operationalises psychological empowerment as a motivational construct manifested in four cognitions: meaning, competence, self-determination and impact. Spreitzer’s (1995) scale was developed closely with the earlier work of other scholars: Conger and Kanungo (1988) and Thomas and Velthouse (1990). The scale assumes that empowerment is continuous rather than dichotomous: employees may perceive different degrees of empowerment rather than feeling empowered or not (Spreitzer, 1995; 1996; 2008). There are 12 items in the scale, with three attached to each dimension: (1) meaning (e.g. ‘The work I do is very important to me’), (2) competence (e.g. ‘I am confident about my ability to do my job’), (3) self-determination (e.g. ‘I have significant autonomy in determining how I do my job’) and (4) impact (e.g. ‘My impact on what happens in my department is large’) rated on a seven-point Likert scale (1 = strongly disagree and 7 = strongly agree).

To examine the four-dimensional measures of empowerment, Spreitzer conducted her initial study on a sample of mid-level employees of a Fortune 50 industrial organisation in the United States. The overall empowerment construct was reported with an acceptable alpha reliability value of 0.72. The four subscales are also reported with acceptable alpha reliabilities: meaning = 0.87, competence = 0.81, self-determination = 0.81 and impact = 0.88. Cronbach’s alpha was used to assess the reliability of the scale and a second-order CFA was conducted to further assess the convergent and discriminate validity of the empowerment items and the contribution of the four dimensions to the overall construct of empowerment (Spreitzer, 1995). The CFA showed that an excellent fit was obtained: AGFI = 0.93, RMSR = 0.04, Noncentralised Normed Fit Index (NCNFI) = 0.97. Each of the items loaded strongly on the appropriate factor (Spreitzer, 1995), suggesting that the four dimensions all contributed to the overall construct of empowerment (Spreitzer, 2008).

Carless (2004) validated Spreitzer’s scale on a sample of customer service employees of call centres in Australia. Each dimension had good alpha reliabilities: meaning = 0.92, competence = 0.90, impact = 0.84 and self-determination = 0.81. CFA yielded good fit indices: RMSEA = 0.08, TLI = 0.95 and CFI = 0.96. Stander and Rothmann (2009)
conducted an empowerment study of employees of mining, service, chemical and government organisations in South Africa, reporting a similar promising trend in the statistical results. Alpha reliabilities for all four dimensions were good: meaning = 0.89, competence = 0.81, impact = 0.86 and self-determination = 0.85. The overall empowerment scale showed an excellent alpha reliability of 0.91. CFA yielded an RMSEA of 0.09 and AGFI of 0.88, outside the guidelines of 0.08 and 0.90 respectively; however, good statistics were reported for NFI (0.94), TLI (0.92) and CFI (0.94), so overall the fit indices were considered acceptable. In a more recent study, Uner and Turan (2010) examined the psychometric properties of Spreitzer’s scale on 260 nurses from primary health care centres in Ankara, Turkey, also reporting good fit indices: RMSEA = 0.05, GFI = 0.95 and AGFI = 0.91. The total scale yielded a very good alpha reliability of 0.83 and those of the four sub-scales were 0.86, 0.89, 0.81 and 0.93 respectively.

The findings on Spreitzer’s scale reported by Carless (2004), Stander and Rothmann (2009) and Uner and Turan (2010) demonstrate its usefulness to represent the construct of empowerment. Furthermore, the scale has been tested across many cultures, such as the Netherlands (Knol & Linge, 2009; Pieterse et al., 2010), Hong Kong (Tuuli & Rowlinson, 2009), Turkey (Ergeneli, et al., 2007), the Philippines (Hechanova et al., 2006), the United Kingdom (Ahmad & Oranye, 2010; Holdsworth, 2007; Holdsworth & Cartwright, 2003), Singapore (Avolio, Zhu, Koh & Bhatia, 2004), Korea (Cho & Faerman, 2010), Australia (Carless, 2004) and Canada (Laschinger, Finegan, Shamina & Wilk, 2004). The scale has also been validated in different organisational settings. It has been used in a private university (Harris, Wheeler & Kaemar, 2009), in construction (Tuuli & Rowlinson, 2009), in a telecommunications company (Samad, 2007), a call-centre (Bartram & Casimir, 2007) and in the insurance industry (Spreitzer, 1995). Interestingly, it has been tested not only at the individual level (e.g. Kraimer, Seibert & Liden, 1999) but also at the team level (e.g. Kirkman & Rosen, 1999). The scale has also been translated into other languages, such as Chinese (Aryee & Chen, 2006; Chiang & Jang, 2008), Korean (Jung & Sosik, 2002), French (Marylène, Senécéral, & Koestner, 1997) and Turkish (Uner & Turan, 2010), then validated. With its promising results and proven generalisability across different cultures, countries, organisational settings and languages, Spreitzer’s scale seems to offer a sound measure of psychological empowerment.
Perhaps the explanation for the wide application of Spreitzer’s scale is related to the acceptable reliability scores reported in many empirical studies, some of which are listed in Table 2.2.

**Table 2.2: Reliability scores reported by studies adopting Spreitzer’s scale**

<table>
<thead>
<tr>
<th>Scholar</th>
<th>Sample</th>
<th>Reliability Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewart et al. (2010)</td>
<td>United States health services</td>
<td>Ranging from 0.72 to 0.89&lt;br&gt;Total score = 0.86</td>
</tr>
<tr>
<td>Tuuli &amp; Rowlinson (2009)</td>
<td>Hong Kong construction organisation</td>
<td>Ranging from 0.82 to 0.91&lt;br&gt;Total score not reported</td>
</tr>
<tr>
<td>Boudrias, Gaudreau, Savoie &amp; Morin (2009)</td>
<td>Canadian health services, insurance and communications</td>
<td>Ranging from 0.80 to 0.81&lt;br&gt;Total score not reported</td>
</tr>
<tr>
<td>Hall (2008)</td>
<td>Australian manufacturing organisations</td>
<td>Ranging from 0.90 to 0.96&lt;br&gt;Total score not reported</td>
</tr>
<tr>
<td>Chiang &amp; Jang (2008)</td>
<td>Taiwan hotel companies</td>
<td>Ranging from 0.82 to 0.91&lt;br&gt;Total score not reported</td>
</tr>
<tr>
<td>Holdsworth &amp; Cartwright (2003)</td>
<td>United Kingdom call centres</td>
<td>Ranging from 0.74 to 0.95&lt;br&gt;Total score = 0.89</td>
</tr>
<tr>
<td>Dee et al. (2003)</td>
<td>United States elementary school</td>
<td>Ranging from 0.89 to 0.98&lt;br&gt;Total score = 0.89</td>
</tr>
</tbody>
</table>

Overall, Table 2.2 suggests strong alpha reliability scores for Spreitzer’s scale across diverse organisational contexts and cultures. Some even indicate excellent reliabilities (e.g. Hall, 2008; Dee et al., 2003). Taken together, Spreitzer’s scale is proven to demonstrate good reliabilities, a psychometrically sound factorial structure and persuasive evidence in a variety of different organisational contexts and cultures. It is thus safe to say that Spreitzer’s scale has been well validated. Given this strong underpinning, its popularity in comparison with other scales is not surprising.

Despite the strengths reported above, criticisms have nonetheless been made of Spreitzer’s scale, a major one being the potential overlapping of the impact and self-determination dimensions (see Dimitriades, 2005; Hancer & George, 2003). This in turn suggests that there is a need for only three conceptually distinct dimensions (Menon & Hartmann, 2002). However, Stander and Rothmann (2009) contest these criticisms and suggest that the problem in those studies lies in the use of exploratory factor analysis (EFA) to assess the construct validity of the scale. EFA is used primarily as a tool for reducing the number of variables or examining patterns of correlations among variables (Tabachnick & Fidell, 2007); therefore decisions about the number of factors are based on pragmatic rather than theoretical criteria (Stander & Rothmann, 2009). Stander and Rothmann (2009) further
suggest the use of CFA rather than EFA when the aim is to find the best fitting theoretical model.

In comparison to Menon’s scale, Spreitzer’s was found to have more advantages. The generalisability of Menon’s scale is rather limited, whereas Spreitzer’s appears to generalise across different organisational contexts and cultural backgrounds. Menon’s scale demonstrates internal consistency ranging from acceptable to good reliabilities (0.71 to 0.88), whilst Spreitzer’s reports higher internal consistency from acceptable to excellent reliabilities (0.74 to 0.98), which implies the superiority of Spreitzer’s scale over Menon’s. Unlike Spreitzer (1995), Menon (2001) does not equate or restrict psychological empowerment to intrinsic task motivation (Menon & Hartmann, 2002). However, as indicated at the beginning of this chapter, it is the purpose of this study to investigate intrinsic motivation in relation to psychological empowerment. For the aforementioned reasons, this study uses Spreitzer’s (1995) scale to measure psychological empowerment. Having discussed its measurement, the focus now turns to the process which embodies empowerment in organisations.

2.6 The empowerment process

It is imperative to understand the process underlying empowerment before its implementation. Kinlaw (1995), for example, suggests that leaders take the time to understand the full scope of the empowerment process before they begin to make decisions and initiate actions to help their organisation enhance the empowerment of its people. A systematic understanding of the empowerment process will help the organisation to reap its full benefits. Realising the importance of empowerment, Conger and Kanungo (1988) have proposed a comprehensive view of the whole process in organisations. According to them, the process of empowerment can be viewed in five stages, which are shown in Figure 2.1.
The discussion that is presented in this section is mainly drawn from the theoretical paper developed by Conger and Kanungo (1988) and Bandura's self-efficacy notion (1986). To reiterate, self-efficacy, according to Bandura (1995), is the ‘belief in one’s capabilities to organise and execute the courses of action required to manage prospective situations’ (p. 2). As seen in Figure 2.1, the first stage of the empowerment process is the identification of principal contextual factors within organisations that lead to the sense of powerlessness among subordinates. Four categories of principal contextual factors are identified: organisational, supervisory style, reward systems and job design. Conger and Kanungo (1988) describe organisational factors as significant organisational changes and transitions (e.g. acquisition or merger activity and major changes in organisational strategy), start-up ventures, impersonal bureaucratic climate and highly centralised organisational resources. If these events are experienced in organisations, they will increase the likelihood of subordinates experiencing powerlessness. Authoritarianism and negativism (emphasis on failure) is suggested by Conger and Kanungo (1988) as one of the supervisory styles which can strip control and discretion from subordinates and thereby remove the sense of empowerment. The same goes for poor reward systems and job design. Arbitrary reward

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### Figure 2.1: Five stages in the process of empowerment
(Source: Conger & Kanungo, 1988, p. 475)

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditions leading to a psychological state of powerlessness</td>
<td>The use of managerial strategies and techniques</td>
<td>Providing self-efficacy information to subordinates using four sources</td>
<td>Results in empowering experience of subordinates</td>
<td>Leading to behavioural effects</td>
</tr>
<tr>
<td>Organisational factors</td>
<td>Participative management</td>
<td>Enactive attainment</td>
<td>Strengthening of effort – performance expectancy or belief in personal efficacy</td>
<td>Initiation/persistence of behaviour to accomplish task objectives</td>
</tr>
<tr>
<td>Supervision</td>
<td>Goal setting</td>
<td>Vicarious experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward system</td>
<td>Feedback system</td>
<td>Verbal persuasion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of job</td>
<td>Modelling</td>
<td>Emotional arousal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contingent/competence-based reward</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job enrichment</td>
<td></td>
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</tr>
</tbody>
</table>

The discussion that is presented in this section is mainly drawn from the theoretical paper developed by Conger and Kanungo (1988) and Bandura’s self-efficacy notion (1986). To reiterate, self-efficacy, according to Bandura (1995), is the ‘belief in one’s capabilities to organise and execute the courses of action required to manage prospective situations’ (p. 2). As seen in Figure 2.1, the first stage of the empowerment process is the identification of principal contextual factors within organisations that lead to the sense of powerlessness among subordinates. Four categories of principal contextual factors are identified: organisational, supervisory style, reward systems and job design. Conger and Kanungo (1988) describe organisational factors as significant organisational changes and transitions (e.g. acquisition or merger activity and major changes in organisational strategy), start-up ventures, impersonal bureaucratic climate and highly centralised organisational resources. If these events are experienced in organisations, they will increase the likelihood of subordinates experiencing powerlessness. Authoritarianism and negativism (emphasis on failure) is suggested by Conger and Kanungo (1988) as one of the supervisory styles which can strip control and discretion from subordinates and thereby remove the sense of empowerment. The same goes for poor reward systems and job design. Arbitrary reward
allocations, low incentive value of rewards, role ambiguity, lack of training and support are examples of factors which cause employees’ beliefs in personal efficacy to suffer (Conger & Kanungo, 1988).

Stage two involves the use of empowerment strategies to remove the feeling of powerlessness generated by the contextual factors in stage one. It emphasises the critical role played by managers to identify the management practices that can heighten a sense of self-efficacy among subordinates. Conger and Kanungo (1988) propose open communication systems, because leaders who set inspirational and meaningful goals and who foster opportunities for subordinates to participate in decision-making are more likely to create an empowering environment. Reward systems that emphasise innovative performance and high incentive values as well as jobs that provide task variety, appropriate autonomy and control will foster a greater sense of self-efficacy and are more likely to empower subordinates (Conger & Kanungo, 1988).

Stage three is concerned with providing subordinates with self-efficacy information in order to encourage an effective empowerment. Bandura (1977) describes four sources of self-efficacy information: enactive attainment, vicarious experience, verbal persuasion and emotional arousal. Enactive attainment, which is regarded as the most influential source of self-efficacy information, refers to an individual’s authentic mastery experience directly related to the job (Bandura, 1986; Conger & Kanungo, 1988). To put it differently, enactive attainment is when initial successful experiences make one feel more capable, thus creating a more empowering environment. Vicarious experience, on the other hand, is to observe similar others (i.e. co workers) who perform successfully on the job. Bandura (1977) equates vicarious experience with a modelling technique which is often used to empower employees. However, vicarious experience is argued not to be as effective in empowering subordinates as enactive attainment experience (Bandura, 1986; Conger & Kanungo, 1988). The third source, verbal persuasion, is similar to words of encouragement and verbal feedback which are commonly used by leaders and managers to empower subordinates. ‘People who are persuaded verbally that they possess the capabilities to master given tasks are likely to mobilise greater sustained effort than if they harbour self-doubts and dwell on personal deficiencies when difficulties arise’ (Bandura, 1986; p. 400). The last source of self-efficacy information is known as the emotional arousal state. This results from stress, fear, anxiety and depression, which can lower self-efficacy expectations, whereas when
individuals are not experiencing strong aversive arousal, they are more likely to feel competent. It is therefore important to provide emotional support for subordinates by reducing the negative effects of aversive emotional arousal for the development of self-efficacy beliefs (i.e. feelings of competence) and specifically the empowering process (Conger & Kanungo, 1988).

Stage four generally describes the empowering experience of the subordinates. This refers to enabling and implies the boosting of subordinates’ belief in their own effectiveness (successfully executing desired behaviour) rather than raising their hopes for favourable performance outcomes (Conger & Kanungo, 1988). Finally, the empowering experience formed in stage four will lead to the behavioural effects of the accomplishment of task objectives as reflected in stage five. By virtue of the empowering experience, subordinates are argued to be able to deliver persistence of behaviour in handling tasks, despite organisational difficulties or environmental obstacles.

The empowerment process proposed by Conger and Kanungo (1988) provides a useful theoretical framework for the current study to investigate empowerment systematically. It suggests some important general features of the structure of an empirical investigation of empowerment. Although Conger and Kanungo’s (1988) framework provides a comprehensive explication of the empowerment process, it has been the subject of some criticisms. Of the five stages which Conger and Kanungo (1988) propose in their framework, the first three seem to overlap and to represent the same point, being concerned with the factors which influence empowerment or more specifically the antecedents to empowerment. The contextual factors leading to a psychological state of powerlessness (organisation factors, supervision, reward system and nature of job), managerial techniques and self-efficacy information are within the category of organisational settings and can therefore be classified under the same theme as work context. Management practices, job specification, rewards and information are commonly viewed as work context variables in empowerment studies (Samad, 2007; Spreitzer, 1995; 1996; Spreitzer et al., 1999; Spreitzer et al., 1997). They have often also been investigated as the antecedents to empowerment, due to their influence on an individual’s sense of empowerment (e.g. Bartram & Casimir, 2007; Chen, Kirkman, Kanfer, Allen & Rosen, 2007; Chiang & Jang, 2008; Spreitzer, 1995; 1996; Spreitzer et al., 1999; Spreitzer, et al. 1997). Given this overlapping, it is therefore sensible to merge the first three stages into
one, representing the factors which influence empowerment. To suit the purposes of this study, stage five will be renamed ‘consequences of empowerment’ instead of ‘behavioural effects’. It is very important to note that the current study is not intended to investigate the actual framework proposed by Conger and Kanungo (1988), but rather to use it as a guide in forming its own theoretical framework specific to the aims of the study. A detailed explanation of the framework this new framework is presented at the end of chapter three (see section 3.6).

The next section details the factors that influence empowerment. Its main focus is a discussion of leadership behaviour.

### 2.7 Leadership behaviour as a factor influencing empowerment

The impact of empowerment is argued to depend on the interaction of environmental and personal variables (Yagil, 2006). In similar vein, Ergeneli et al. (2007) claim that empowerment is closely associated with certain environmental and individual elements which may affect the level of empowerment experienced and the potential outcomes. Specifically, these environmental and individual variables are those influencing factors that may either foster or discourage empowerment in the organisation. Their identification helps organisations to create the right environment to enable effective empowerment (Smith & Mouly, 1998).

Among the numerous environmental and individual variables that have been conceptually or empirically linked to empowerment are trust, job design, access to information and resources, training, support, organisational structure and leadership behaviour. The last of these, leadership behaviour, will be the focus of the current study because it is widely argued to be the factor most strongly influencing empowerment (Bartram & Casimir, 2007; Bordin et al., 2007; Chen et al., 2007; Greasley et al., 2005; Klidas et al., 2007; Laschinger et al., 2009; Masi & Cooke, 2000). The choice of leadership behaviour as the most important factor affecting empowerment within the scope of this study was also influenced by the possibility of an interface between leadership behaviour and empowerment. The continued strong interest in leadership behaviour and that in empowerment in organisations are observed to arise from the same consideration: both are impelled by the quest to cope with the uncertainty and changes that shape the contemporary business environment.
(Lindebaum, 2008; Logan & Ganster, 2007; Samad, 2007; Thomas & Velthouse, 1990). To a certain degree, this would imply a potential interface between leadership behaviour and empowerment, although the two factors seem to be distinct from each other. Further, it has been noted that many contributors to the literature have drawn a close association between leadership behaviour and empowerment (Bartram & Casimir, 2007; Bordin et al., 2007; Chen et al., 2007; Greasley et al., 2005; Klidas et al., 2007; Laschinger et al., 2009; Masi & Cooke, 2000).

The main purpose of this section is to provide a discussion of the interface between leadership behaviour and empowerment. Before considering this in detail, it offers a brief overview of the other factors (trust, job design, access to information and resources, training, support, organisational structure) influencing empowerment, in order to paint an overall picture of the many factors which may influence the degree of empowerment in organisations. There is then a definition of leadership behaviour and a short review of different approaches to leadership behaviour that have been linked to empowerment in the literature. Next, the section will explicate the two leadership behaviours that represent the focal point of the current study: transformational and empowering leadership. The discussion of these behaviours will include their definition, measurement and relation to empowerment.

Trust is claimed to be a prerequisite for the success of empowerment, as it attempts to enhance the efficacy of the employee (Ergeneli et al., 2007). Consistently with this claim, many academics have emphasised the importance of trust as one of the conditions for the success of empowerment practices. Yukl (2002), for example, suggests that empowerment is more feasible when there is a high level of mutual trust between leader and followers, while Taborda (2000) regards trust as an important issue to consider when implementing empowerment strategies. Some view trust as a key foundation of successful empowerment (Holdsworth, 2007; Klagge, 1998; Smith 1997; Smith & Mouly, 1998). Indeed, some academics have attempted to relate trust to empowerment empirically (Chan et al., 2008; Ergeneli et al., 2007; Mills & Ungson, 2003; Moye & Henkin, 2006). All of these studies are observed to report similar findings that support the existence of a significant relationship between trust and empowerment. Specifically, they indicate a positive correlation between higher levels of trust and higher levels of perceived empowerment.
Apart from trust, job design is also claimed to affect employees’ feelings of empowerment (Hancer & George, 2003; Yukl, 2002). Thomas and Velthouse (1990) identify job design as one of the environmental variables that could shape the mechanism of empowerment in organisations. The claimed link between job design and empowerment is based on the notion that clear job description requirements are purported to be related to feelings of competence (i.e. one of the cognitive elements of empowerment) (Conger & Kanungo, 1988; Spreitzer, 1996). Moreover, clear job descriptions serve to minimise role ambiguity and most importantly help employees to understand their roles (Smith, 1997). Wat and Shaffer (2005) suggest that organisations should adopt broad and open-ended job descriptions to enhance empowerment. It is contended that jobs which provide task variety, autonomy, low levels of routine and opportunities for advancement are more likely to support perceptions of empowerment, in contrast to narrow and rigid job descriptions, which will lead to role ambiguity (Moye & Henkin, 2006). Empirical studies that have investigated role ambiguity in relation to empowerment validate the negative effect of the former on the latter (see Spreitzer, 1996; Wallach & Mueller, 2006, cited by Holdsworth, 2007).

Another influencing factor that is frequently linked to empowerment is access to information and resources, which is believed to reinforce an individual’s sense of meaning and competence; i.e. it is a dimension of empowerment (Bowen & Lawler, 1992; Spreitzer, 1995). Employees are argued to experience more empowerment in organisations when information and resources are easily accessible (Bowen & Lawler, 1992; Siegall & Gardner, 2000; Spreitzer, 1995; 1996). There is evidence to support the link between empowerment and access to information and resources. Although most such evidence demonstrates the existence of a strong relationship between the two (see Samad, 2007; Spreitzer, 1995), there is also a situation where an insignificant relationship was reported (see Spreitzer, 1996). This finding lends support to the arguments of earlier academics that individuals can be empowered in spite of limited resources (Freire, 1970; Hoffman, 1978).

In addition to trust, job design and access to information and resources, organisational structure has also been considered to influence empowerment. It not only influences the way empowerment is implemented in an organisation (i.e. structural empowerment) (see Spreitzer, 1995; 1996), but may also shape employees’ feelings of empowerment (i.e. psychological empowerment) (Chiles & Zorn, 1995). It has been suggested that a flatter,
more horizontal organisation will foster employee empowerment, while a traditional top-down one will inhibit it (Dainty, Bryman & Price, 2002; Geroy, Wright, & Anderson, 1998; Govindarajulu & Daily, 2004; Yukl, 2002). Studies conducted by Smith and Moully (1998) and Spreitzer (1996) are among those which demonstrate the positive link between the type of organisational structure with a wide span of control (decentralised control) and the cognitions of empowerment.

The importance of training and support for employees to make them feel empowered is also emphasised in the literature (Holdsworth, 2007; Smith, 1997). Conceptually, training has been regarded as an essential requirement of empowerment (Baird & Wang, 2010; Bowen & Lawler, 1992; Klidas et al., 2007; Hasan, 2010; Spreitzer, 1996). The same applies to support, which has been extensively advocated as an antecedent to empowerment (Bordin et al., 2007; Hancer & George, 2003; Hopkins, 1995; Morrison, Jones, & Fuller, 1997). However, the conceptual assertions pertaining to training and empowerment are contradicted by the empirical evidence of no relationship between the two (see Klidas et al., 2007). It is suggested that it is not the well-trained employees who demonstrate empowered behaviour, but those who have the support of their leaders (Klidas et al., 2007). This unexpected finding can possibly be related to the assertions that explain support as a key foundation of the success of empowered culture within an organisation (Erstad, 1997; Holdsworth, 2007; Logan & Ganster, 2007).

Although the other factors affecting empowerment described above impart different levels of empowerment, some similarities are nonetheless notable among them. For example, the term ‘leader’ is often used when discussing trust and training in relation to empowerment. It is suggested that there must be mutual trust between leaders and employees in order for empowerment to be more feasible (Yukl, 2002). Despite the claims of links between training and empowerment, it has been revealed empirically that training does not shape the feeling of empowerment, whereas the support of leaders does have a significant influence (see Klidas et al., 2007). Perhaps the unexpected empirical evidence that employees can be empowered in spite of limited resources could be attributed to the leadership factor. Receiving continuous support from their leaders will not only help to increase employees’ morale, but will also stimulate their feelings of empowerment (Holdsworth, 2007; Hopkins, 1995). Leadership is also important in job design, which is defined as ‘the process by which managers decide individual job tasks and authority’
The term ‘managers’ in the definition signifies the key function of leaders as responsible for designing a job in a way that could encourage employees’ feelings of empowerment. While organisational structure does not directly dictate the role of leadership, it is ultimately the leaders who determine the domain of employee decision-making. It may be the case that employees will not feel empowered under a decentralised type of organisation, due to the leaders’ hesitation or reluctance to cascade down the decision-making authority. This implies that leadership plays a more important role in the mechanism of empowerment than influential factors of other types. Furthermore, it is asserted that there is scant evidence of how leadership behaviour affects empowerment, despite many academics having claimed a link between empowerment and leadership behaviour (Meyerson & Kline, 2008). Further evaluation of how leadership behaviour relates to empowerment is seen to be useful and necessary in bringing greater clarity to the understanding of empowerment (Conger & Kanungo, 1988; Meyerson & Kline, 2008). For the above reasons, this study will focus on leadership behaviour as the factor most likely to influence empowerment.

Bass (1990) defines leadership behaviour as the particular acts in which a leader engages in the course of directing and coordinating the work of his/her group, while Mosadeghrad (2003) provides a more detailed definition of leadership behaviour as ‘a series of managerial attitudes, characteristics and skills based on individual and organisational values, leadership interests and reliability of employees in different situations’ (cited by Mosadeghrad & Yarmohammadian, 2006, p. xii). By contrast, Northouse (2004) suggests a simpler definition of leadership behaviour as ‘the things leaders do to bring about change in a group’ (p. 2). Although these three definitions are composed in different ways, they all convey the same themes, which are the actions of the leader and the emphasis on the relationship between leader and followers.

Leadership behaviour has long been a popular topic amongst academics (Barling, Weber, & Kelloway, 1996; Bowles & Bowles, 2000; Bryman, 1992; Jackson, 2008; Lieberson & O’Connor, 1972; Mehta, Dubinsky, & Anderson, 2003; Srivastava, Bartol, & Locke, 2006; Walumbwa, Lawler, & Avolio, 2007). The mounting interest in leadership behaviour is not limited to academics, but extends to practitioners and corporate consultants (see Ardichvili & Masderscheid, 2008; Sukin, 2009). Kotter (1988) identifies two fundamental shifts in the business environment that are responsible for the considerable growth in concern with
leadership behaviour: the pressure of competitive intensity (e.g. internalisation of competition, deregulation) and the increasing complexity of organisations (e.g. diversification, globalisation, technological development). These two factors have had a formidable impact on current organisations and have made leadership behaviour increasingly important for prosperity and survival (Kotter, 1988). As mentioned earlier, these same factors have been highlighted as reasons for the emergence of empowerment in organisations (Logan & Ganster, 2007; Samad, 2007; Spreitzer, 1998; Thomas & Velthouse, 1990), which suggests the possibility of an interface between leadership behaviour and empowerment.

Apart from this sharing of reasons for their need within organisations, leadership behaviour is believed to contribute to empowerment to the extent that it is able to affect an individual's perception of meaning, competence, self-determination and impact, i.e. the four dimensions of psychological empowerment (Dewettinck & Ameijde, 2011; Spreitzer, 1996). Ahearne et al. (2005) claim that effective leadership is an important driver of the success of empowerment in organisation. Smith and Mouly (1998) subscribe to the same view and suggest that strong leadership is one of the factors encouraging empowerment. Specifically, Moye and Henkin (2006) argue that managers as leaders play an essential role in providing employees with empowering work experiences. Interviews conducted by Greasley et al. (2005) with employees from four major construction projects in the United Kingdom further support leadership behaviour as one of the key factors affecting levels of empowerment. In their study, Greasley et al. (2005) found that leaders were able to influence whether or not employees were offered the opportunity to become empowered and the form that empowerment might take. A similar finding is reported by Klagge (1998), who conducted focus group activities with 150 public sector middle managers in which a majority of participants highlighted leadership behaviour as making a unique contribution to empowerment success.

Frequent claims have been made of associations between empowerment and several types of leadership behaviour. Amongst these are participative (Huang et al., 2006), supportive (Carless, 2004; Chiang & Jang, 2008), charismatic (Choi, 2006; Conger, 1999), transactional (Meyerson & Kline, 2008), transformational (Avolio et al., 2004; Bartram & Casimir, 2007; Gumusluoglu & Ilsev, 2009; Masi & Cooke, 2000) and empowering leadership behaviour (Dewettinck & Ameijde, 2011; Spreitzer et al., 1997). For the purpose of this study, only
the last two types, transformational and empowering leadership, will be discussed. There are two main reasons for focusing on these two leadership behaviours rather than the others: they are argued to be the leadership behaviours most relevant to the empowerment environment (Clark, Hartline & Jones, 2009; Spreitzer et al., 1997; Yukl, 2002), while claims that other types are comparably relevant have been criticised or refuted. Transformational leaders are claimed to engage in behaviours that empower followers (Masi & Cooke, 2000). They are able to produce a sense of meaningfulness, competence and impact (i.e. dimensions of empowerment) among followers, through the inspirational ability that embodies the transformational leadership (Dewettinck & Ameijde, 2011). Transformational leaders are also seen to provide positive emotional support and opportunities to experience task mastery, which in turn contributes directly to followers’ sense of self-determination, i.e. a dimension of empowerment (Stander & Rothmann, 2009). Most importantly, transformational leaders are believed to enhance their followers’ empowerment by individualised consideration, building their self-confidence and heightening their personal development (Avolio et al., 2004; Gumusluoglu & Ilsev, 2009).

Empowering leadership is believed to better suit an environment of empowerment by embracing the phenomena of innovation that appear consistent with the tenets of empowerment (Dewettinck & Ameijde, 2011). Specifically, empowering leadership draws on the elements of leadership behaviour most focused on making change, which corresponds to empowerment in that it facilitates innovative behaviours (Masi & Cooke, 2000; Spreitzer et al., 1997; Vecchio et al., 2010). Empowering leadership is also said to encourage the development of followers who can make independent decisions, think and act autonomously without direct supervision and take responsibility for their own behaviour at work (Conger & Kanungo, 1988; Cox et al., 2003). Again, this is akin to empowerment, which strives to create followers who are effective self-leaders (Manz & Sims, 2001).

In contrast to transformational and empowering leadership, claims that other leadership behaviours influence empowerment have been strongly criticised. Randolph (1995), for instance, argues that supportive leadership behaviour is not always needed in an empowerment environment. Although charismatic leadership behaviour promotes a sense of meaningfulness (one dimension of empowerment), transformational leadership is preferred over charismatic, as it facilitates the total four dimensions of empowerment.
(meaning, competence, self-determination and impact), through its characteristics of charismatic leadership itself, inspirational leadership, intellectual stimulation and individualised consideration (Martin & Bush, 2006). The optimistic claims made of the relationship between participative leadership behaviour and empowerment (Sparrowe, 1994; Spreitzer, 1996) have been refuted empirically (e.g. Huang et al., 2006). Transactional leadership, on the other hand, through its element of contingent reward, is claimed to have a destructive influence on followers’ creativity and performance (Wei et al., 2010). This runs counter to the thrust of empowerment, which encourages innovative behaviours, seemingly similar to creativity (Bass, 1985; Spreitzer et al. 1999; Wei et al., 2010). Most importantly, it has been found that transactional leadership is negatively related to followers’ creative performance (Wei et al., 2010).

Having discussed the reasons for choosing transformational and empowering leadership over the other types of leadership behaviour, the next two subsections offer an overview of transformational and empowering leadership, their measurement and interface with empowerment.

2.7.1 Transformational leadership

As its name applies, transformational leadership is a process that changes and transforms individuals (Northouse, 2004). Specifically, it refers to the process whereby an individual engages with others and creates a connection that raises the level of motivation and morality in both the leader and the follower (ibid). Burns (1978) characterises a transformational leader as someone who ‘looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. The result... is a relationship of mutual stimulation and elevation that converts leaders into moral agents’ (p. 4, cited by Lindebaum, 2008). Transformational leadership comprises four unique but interrelated behavioural dimensions: idealised influence (charisma), inspirational motivation, intellectual stimulation and individualised consideration (Bass, 1985; Beugré, Acar & Braun, 2006; Morrison et al., 1997; Northouse, 2004). Descriptions of these four dimensions are provided below (Bass; 1995; Özaralli, 2003).
• Idealised influence (charisma)
  The leader provides vision and a sense of mission; instils pride, faith and respect;
  excites, arouses and inspires his or her subordinates.

• Inspirational motivation
  The leader acts as a model for subordinates; behaves in ways that motivate and inspire
  followers by providing meaning and challenges; communicates a vision.

• Intellectual stimulation
  The leader provides subordinates with a flow of challenging new ideas; motivates
  followers to think in new ways; emphasises problem solving and the use of reasoning
  before taking action.

• Individualised consideration
  The leader provides coaching and teaching; delegates projects to stimulate learning
  experience; provides for continuous feedback and treats each follower as an individual.

Research has shown that leaders who adopt these four behavioural dimensions are able to
‘realign their followers’ values and norms, promote both personal and organisational
changes and help followers to perform beyond their initial performance expectations
specified in the implicit or explicit exchange agreement’ (Jung & Avolio, 2000, p. 951, cited
by Park & Rainey, 2008). In other words, the four behavioural dimensions help
transformational leaders to hold a strong set of internal values and ideals and at the same
time assist them to develop the fullest potential of their followers (Northouse, 2004).

The Multifactor Leadership Questionnaire (MLQ) is observed to be the most widely used
measure of transformational leadership in the literature. It was introduced by Bass (1985)
and further developed by Bass and Avolio (1992) (Vigoda-Gadot, 2006). The MLQ is made
up of questions that measure followers’ perceptions of a leader’s behaviour with respect to
a total of seven factors, four of which represent the characteristics of transformational
leadership (idealised influence, inspirational motivation, intellectual stimulation,
individualised consideration), two the characteristics of transactional leadership (contingent
reward and management-by-exception) and one a non-leadership factor (laissez-faire) (Muenjohn & Armstrong, 2008; Northouse, 2004).

Academics claim that the MLQ is the most researched and validated tool for measuring transformational leadership (Gerhardt, 2006; Northouse, 2004; Tejeda, Scandura & Pillai, 2001). It has also received favourable support in terms of its statistical evidence. Morrison et al. (1997), for example, report high internal consistency for the four factors of transformational leadership in the MLQ, with Cronbach’s alpha scores ranging from 0.83 to 0.91. Comparable internal consistency is reported elsewhere by Avey, Hughes, Norman and Luthans (2008), who found Cronbach’s alpha values from 0.83 to 0.92 for the four factors of transformational leadership. In another study, Lo, Ramayah and Min (2009) also found good to excellent internal consistency for each of the four factors, ranging from 0.86 to 0.93. The statistical evidence reported in these studies strongly implies the reliability of MLQ measurements.

On the other hand, the instrument has been criticised for its lack of discriminant validity and for psychometric problems (Lindebaum, 2008; Northouse, 2004). Research by Tracey and Hinkin (1998) shows a substantial overlap between each of the four factors related to transformational leadership (idealised influence, inspirational motivation, intellectual stimulation and individualised consideration), suggesting that these are not clearly delimited (Northouse, 2004). However, the findings of an assessment of the structural validity of the MLQ by Meunjohn and Armstrong (2008) appear to contest these criticisms. They report that CFA revealed a statistically significant overall chi-square ($\chi^2=540.18; df=474; p<0.01$), a ratio of chi-square to the degrees of freedom ($\chi^2/df$) of 1.14, an RMSEA of 0.03, a GFI of 0.84 and an AGFI of 0.78. By taking all the indices into account, it might be said that the study finds a ‘reasonable fit’ of MLQ structure. A recent study by Rowold and Schlutz (2009) also demonstrates the sound factorial validity of the MLQ. The CFA yielded $\chi^2_{corr}=26501$ (p=0.000) with a TLI of 0.97, a CFI of 0.98 and an RMSEA of 0.05, clearly indicating good fit. The reasonable to good fit indices reported in both studies apparently support the construct validity of the MLQ, providing a certain degree of confidence in using it to measure transformational leadership.

Apart from such statistical support, the MLQ has also been proven in terms of its generalisability to diverse samples and settings. Over time, it has shown wide applicability.
across different contexts including national cultures (Rickards & Clark, 2006). It has been tested in various countries with different cultural backgrounds, such as Australia (Carless, 1998), the United Arab Emirates (Jabnoun & Al Rasasi, 2005), the United States (Beugré et al., 2006), Turkey (Erkutlu, 2008) and Malaysia (Ismail et al., 2009). It has also been applied in many organisational settings, among them a call centre (Bartram & Casimir, 2007), banking (Barling et al., 1996), education (Meyerson & Kline, 2008; Tepper & Percy, 1994), a hospital (Avolio, et al., 2004), a law enforcement agency (Vigoda-Gadot, 2006) and a government agency (Rowold & Schlotz, 2009). In some studies, the MLQ has also been tested at the demographic level. In terms of gender, for example, Carless (1998) and Rohmann and Rowold (2009) found females to be more likely to report higher transformational leadership than their male colleagues. While there continues to be debate with regard to the MLQ, its application to various organisational settings, cultures and demographic factors (e.g. gender) supports its appropriate use to measure transformational leadership.

Since it was first designed, the MLQ has gone through many revisions to strengthen its reliability and validity (Bass & Avolio, 1993; Den Hartog, Van Muijen & Koopman, 1997). MLQ-6S is the most recent and shortened form (Northouse, 2004). It consists of 21 questions as compared to the previous version, MLQ 5X (short), which had 45 questions (Muenjohn & Armstrong, 2008; Northouse, 2004). The present study aimed for a good response from the sample and it was believed that keeping the number of questions at a minimum would help to achieve this, so the MLQ Form 6S appeared to be suitable. Miller and Salkind (2002) identify length of questionnaire as a factor that can affect response rate and suggest that it should be as short as possible for this reason. Apart from its strong reliability and validity, and its proven applicability to different organisational contexts and cultures, the possibility of reaching a higher response rate through a small number of items would appear to rationalise the intention of the current study to use MLQ-6S to investigate transformational leadership.

With respect to the interface to empowerment, many academics argue for a link between transformational leadership and empowerment, in that the former helps to foster the latter (see Gumusluoglu & Ilsev, 2009; Özaralli, 2003; Sparrowe, 1994; Stander & Rothmann, 2009). A number of striking commonalities are also noted from a review of the literature in relation to transformational leadership and empowerment. Both have been regarded as
elements of a central mechanism, building employees’ commitment towards the organisation’s objectives (Avolio et al., 2004; Yukl, 2002). It may be for this reason that empowerment and transformational leadership are commonly seen as ways to improve the performance of individuals and organisations (Bartram & Casimir, 2007; Gumusluoglu & Ilsev, 2009; Ismail et al., 2009).

A number of empirical studies have examined the link between transformational leadership and empowerment. Özaralli (2003) found a moderate but significant positive effect of transformational leadership on empowerment ($R^2=0.391$, $p<0.001$). Indeed, all transformational dimensions were found to be positively related to empowerment. In confirmation of these findings, Avey et al. (2008) report that transformational leadership has a significant relationship with empowerment ($R^2=0.34$, $p<0.01$). A significant relationship is also reported by Bartram and Casimir (2007) ($R^2=0.32$, $p<0.01$). While such studies appear to confirm the link between transformational leadership and empowerment, it is important to note that in most cases transformational leadership has been taken to be the antecedent of empowerment, while limited work has been done on the alternative relationship of empowerment as the antecedent to transformational leadership and specifically on transformational leadership as mediator of the relationship between empowerment and its outcome. As alluded to in section 2.3, it is argued that management practices (which may include leadership behaviour) will not necessarily be able to empower employees (Spreitzer, 1995). There are also situations where employees lack objective features of empowerment (which may include transformational leadership) but still feel and act in empowered ways (Spreitzer, 2008). This suggests that empowerment may occur whenever and only when employees believe that they are empowered (Greasley et al., 2008). Given these arguments, it would be possible to have empowerment as the antecedent to transformational leadership or for transformational leadership to mediate the relationship between empowerment and its outcome. Hence, validation of these links should be attempted.

The next section continues the discussion of leadership behaviour as a factor affecting empowerment. The focus now moves to the second leadership behaviour relevant to empowerment, i.e. empowering leadership.
2.7.2 Empowering leadership

Traditional styles of leadership are argued to be only partially applicable to empowered environments, as they may not encompass the specific behaviours that are required for effective leadership there (Arnold, Arad, Rhoades & Drasgow, 2000; Conger & Kanungo, 1988; Spreitzer et al., 1999; Thomas & Velthouse, 1990). A new behavioural type of leadership that is sensitive to the requirements of empowered environments has therefore been called for (Arnold et al., 2000). This is where empowering leadership has a role to play as it is viewed as appropriate in an empowered environment (Ahearne et al., 2005; Arnold et al., 2000; Dewettinck & Ameijde, 2011; Pearce & Sims, 2002; Spreitzer et al., 1999; Wallace et al., 2011).

Empowering leadership embodies the notion of change-oriented leadership, characterised by innovativeness, upward influence and inspiring followers rather than monitoring their behaviour (Arnold et al., 2000; Clark et al., 2009; Spreitzer et al., 1999); it addresses the active orientation to work reflected in empowerment (Spreitzer, 1995; 1996). Moreover, empowering leadership behaviour encourages employee involvement by providing greater autonomy (Clark et al., 2009) which apparently parallels empowerment in aiming to create followers who are effective self-leaders (Manz & Sims, 2001). Empowering leaders are also seen to foster comprehensive empowerment by modelling self-leadership and by encouraging followers to use self-influence strategies (Cox et al., 2003; Manz & Sims, 2001).

A slightly different view is offered by Srivastava, Bartol and Locke (2006), who describe empowering leadership as a set of behaviours whereby power is shared with followers, raising their level of intrinsic motivation. Pearce (2004) also highlights the link between empowering leadership and motivation, suggesting that it can reinforce the self-motivation of followers. Meanwhile, Chen, Kanfer, Kirkman, Allen & Rosen (2007) point out that empowering leadership is concerned with actions which increase the motivation of the followers; they also agree with the similarity between empowering leadership and the notion of empowerment. These views in general tend to locate empowering leadership primarily within the notions of motivation and followers’ self-leadership.
Despite the many claims of an association between empowerment and leadership behaviour, empirical studies investigating specific leadership behaviour in relation to empowered environments, i.e. empowering leadership, is rather limited (Ahearne et al., 2005; Arnold et al., 2000; Chen et al., 2007; Spreitzer et al., 1999). This may be attributed to the scarcity of instruments available to measure empowering leadership behaviour (Arnold et al., 2000); to date, only two such measurements have been frequently noted in the literature (i.e. Arnold et al., 2000 and Spreitzer et al., 1999). The measure of empowering leadership developed by Arnold et al. (2000) is designed for an empowered team environment, whereas Spreitzer et al. (1999) are concerned with individual empowerment. Considering that the present study explores individual empowerment, the latter measure seems the more appropriate of the two. Hence, the discussion of the measurement of empowering leadership behaviour will draw only on Spreitzer et al. (1999).

Spreitzer et al. (1999) operationalise empowering leadership behaviour as manifested in the four dimensions of innovation, upward influence, inspiration and monitoring. More specifically, empowering leadership is associated with increased innovation, increased upward influence, increased inspiration and less monitoring. The items that constitute the four dimensions were adopted by Spreitzer et al. (1999) from existing scales developed by other academics, as follows:

- Innovation was adopted from the innovator scale of Denison, Hooijberg and Quinn (1995), which reflects thinking about old problems in new ways through experimentation with new concepts, problem solving in creative ways and innovative ideas. It has four items with total Cronbach’s alpha score reported as 0.88.

- Upward influence was adopted from the broker scale of Denison et al. (1995), which reflects the exertion of upward influence and gaining access to people at higher levels. The four items revealed total Cronbach’s alpha of 0.90.

- Inspiration was borrowed from six items of Bass’s measure of charisma (1985). The items had a Cronbach’s alpha score of 0.93.
Monitoring was borrowed from the monitor scale of Denison et al. (1995), which refers to watching for deviations from rules and standards. Cronbach’s alpha for the four items was 0.81.

Spreitzer et al. (1999) did not specifically assess the convergent and discriminant validity of their empowered leadership measure. However, they examined a confirmatory measurement model comprising measures of empowered leadership and of empowerment developed by Spreitzer (1995) to validate the claim of a relationship between empowering leadership behaviour and an empowered environment. The results of the measurement model indicate appropriate convergent and discriminant validity with each item loaded significantly on its appropriate factor. The chi-square is reported as significant ($\chi^2=344.24$, df =199, p<0.001), AGFI = 0.90, CFI = 0.97 and root mean square residual = 0.03, implying good fit indices.

The Spreitzer et al. (1999) measure has found very limited application in other studies. However, Chiang and Jang (2008) report an acceptable total Cronbach’s alpha value (0.88) and composite reliability (0.88) for three items that they borrowed from Spreitzer et al. (1999). They characterise the three items borrowed as ‘supportive leadership’, however, rather than using the term ‘empowering leadership’ as proposed by Spreitzer et al. (1999). Despite the lack of empirical support for their measure, Spreitzer et al. (1999) report alpha reliabilities within the range of good to excellent (0.81 to 0.93) in their original study. Furthermore, the results of structural analysis of the measurement model of empowering leadership and empowerment yielded good fit indices, indicating the applicability of empowering leadership within the empowered environment (Spreitzer et al., 1999). Moreover, empowering leadership has been proposed to be especially attractive to service-type organisations (Clark et al., 2009). It is suggested that it offers an effective means to facilitate service quality through increased autonomy and self-leadership (Clark et al., 2009; Cox et al., 2003; Manz & Sims, 2001). Since the organisational context of the current study is a service one (i.e. banking), the use of the Spreitzer et al. (1999) measure of empowering leadership should fit within its parameters.

As highlighted at the end of the transformational leadership section, few studies have examined the underlying role of empowerment as antecedent to leadership behaviour and more specifically leadership behaviour as the mediator between empowerment and its
outcomes. Therefore it is the intention of this study to explicate further these links, with transformational leadership and empowering leadership being the focus of leadership behaviour.

Before a discussion of the outcomes of empowerment, the following section first addresses the other two important factors to influence empowerment, i.e. culture and demographics. These are included as part of the main discussion of factors influencing empowerment because it is expected that both are likely to affect the study findings to some degree. A detailed discussion of these two factors will facilitate the later process of understanding the pattern of the findings. The discussion begins with culture and then turns to demographics.

2.8 Culture as a factor influencing empowerment

Culture refers to the collective mental programming that people have in common; the programming that is different from other groups, regions, minorities, majorities or nations (Hofstede, 1980). It consists of shared perceptions of the social environment and specifies what behaviours are desirable for members of the culture (norms), individuals in the social structure (roles) and the goals and principles that are important in one’s life (values) (Robert et al., 2000). Aycan et al. (2000) provide a rather brief definition which nonetheless incorporates the main idea of culture: ‘common patterns of beliefs, assumptions, values, and norms of behaviour of human groups (represented by societies, institutions and organisations)’ (p. 194).

Culture has been frequently claimed as a factor which may influence how people experience empowerment (Gill, Fitzgerald, Bhutani, Mand & Sharma, 2010; Holden, 1999; Robert et al., 2000; Spreitzer, 2008). There is an emerging belief that empowerment may be more congruent with the cultural values of some nations than with those of others (Hui, Au, & Fock, 2004; Spreitzer, 2008). For example, empowerment is viewed as a product of American culture and its propositions are not necessarily embraced in different cultural contexts (Klidas, 2002). Dimitriades (2005) disputes whether management theories and practices such as empowerment that were designed or evolved in the socio-cultural context of North American and/or Western European countries may be equally successful in organisations of fundamentally different socio-cultural settings and economic development. Furthermore, it is suggested that managerial concepts or theories cannot be expected to
transfer across cultural, ethnic and national boundaries (Eylon & Au, 1999). For example, when investigating the impact of management styles on job performance, Black and Porter (1991) found that managerial behaviours with a positive impact in the United States did not achieve the same results in Hong Kong (Eylon & Au, 1999). Concisely put, concepts and theories developed in Western societies are by no means pan-cultural (Bond, 1988, cited by Eylon & Au, 1999). Hofstede (1993) makes the interesting claim that ‘there are no such things as universal management theories’ (p. 81). Eylon & Au (1999) propose that investigating work empowerment across cultures should be of paramount interest to those concerned with understanding empowerment. This signifies the need for further investigation of empowerment across different cultures, which is apparently consistent with the aims of the current study to investigate the concept of empowerment as developed in the United States, in a different nation with distinctive cultural features, i.e. Malaysia.

Hofstede (1980) identifies four bipolar dimensions along which cultural differences can be described: power distance, individualism, masculinity and uncertainty avoidance. Positioning along these dimensions enables predictions of how management processes and theories differ across cultures (Eylon & Au, 1999). Among the four dimensions, power distance is regarded as the most significant and widely discussed in relation to empowerment (Dimitriades, 2005; Ergeneli et al., 2007; Eylon & Au, 1999; Hui et al., 2004; Robert et al., 2000). The discussion of culture in this section will therefore be primarily concerned with this dimension. Hofstede (1980) defines power distance as ‘the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally’ (p. 26). A more descriptive definition is offered by Robert et al. (2000) who refer to power distance as the degree to which inequalities among people are seen as appropriate and acceptable (high power distance) versus an emphasis on equality and a sense of discomfort with hierarchical distinctions (low power distance).

Randalph and Sashkin (2002) point out that when power distance is low, people may welcome involvement in decision-making and this will enhance the tendency to empowerment, as opposed to when power distance is high. In subscribing to a similar view, Eylon and Au (1999) propose that individuals from low power distance cultures will be more comfortable working in environments where the empowerment elements are provided, whereas individuals from high power distance cultures may react to an
empowering climate with feelings of stress and withdrawal (Seibert et al., 2004). A detailed illustration of the power distance dimension in relation to empowerment is provided by Randalph and Sashkin (2002):

Consider the example of a United States company that tried to empower its Mexican plant employees. The plant in Neuvo Laredo manufactured women’s slippers and after two years was producing at less than 80 per cent of expectations. A decision was made to empower teams, to engage people in increased levels of decision-making. Working alone a 20-foot mechanised conveyor, employees quickly learned to do all the tasks on the line.

Unfortunately, the Mexican workers were much slower to take on greater problem-solving and decision-making responsibility. The high power distance in Mexico was a limiting factor. Workers in such a culture expect their supervisors to control information, provide clear boundaries, make decisions, and tell them what to do. Moving these workers to the point of full team responsibility for critical business decisions would be difficult (p. 106).

However, empirical studies that have investigated culture and empowerment reveal a mixture of findings, some of which do not seem to correspond to Hofstede’s power distance dimension. A study by Robert et al. (2000) found that empowerment was negatively correlated with job satisfaction in India (a high power distance nation) and positively related to job satisfaction in the United States (low power distance), Mexico (moderate power distance) and Poland (moderate power distance). These findings appear to be consistent with the paradigm of power distance as suggested by Hofstede (1980). By contrast, a study by Dimitriades (2005) in Greece (relatively high power distance) revealed that participants reported favourable feelings of empowerment. Sigler and Pearson (2000) also report limited support for the relationship between power distance and empowerment: employees from large power distance cultures reported greater empowerment than did employees who perceived a more equitable sharing of power. These conflicting findings imply a lack of clarity in research to date and suggest a need for further investigation of the national cultural dimension in relation to empowerment.
Hofstede (2009) categorises Malaysia, which provides the context of the present study, as a high power distance country. Malaysians are thus expected to be more accustomed to centralised authority (Ergeneli et al., 2007) and empowerment is unlikely to be realised (Klidas, 2002; Matthews et al., 2003). Despite the limited studies of empowerment in Malaysia, available research to date reveals findings contrary to those which might be anticipated from the features of a high power distance country. Abd Ghani et al. (2009) report favourable feelings of empowerment in a study of 312 lecturers from 25 Malaysian higher education institutions ($M=5.66$, $SD=0.68$). The second order CFA of four dimensions of empowerment shows acceptable fit indices ($RMSEA=0.08$, $TLI=0.94$, $CFI=0.96$, $NFI=0.94$, $\chi^2/df=2.96$). Another study by Ismail, Abidin and Tudin (2009), drawing on a sample of 110 employees in a multinational company operating in Malaysia (specialising in semi-conductor packaging and hard disk drives), also reports a relatively high empowerment score ($M=5.66$, $SD=0.73$, $r=0.42$, $p<0.01$). Because studies of empowerment in Malaysia to date are so limited, it seems inappropriate to generalise their findings, although both studies are shown to be supported by the statistical evidence. This implies the need for more empowerment studies in Malaysia to substantially support, refute or clarify the contrasting findings to date.

2.9 Demographics as a factor influencing empowerment

Each individual perceives a different level of empowerment. His or her personal characteristics may contribute to the extent to which the person feels empowered or even expedite the individual feeling of empowerment. Alongside the cultural factors, the demographic characteristics of a population are also likely to influence the level of empowerment perceived. Age, gender, education, organisational tenure, job position and ethnicity are the demographic factors commonly cited as influencing empowerment (Dimitriades & Kufidu, 2004; Hancer & George, 2003; Miller et al., 2001; Özaralli, 2003; Pitts, 2005; Tuuli & Rowlinson, 2009; Spreitzer, 1996). Empirical studies which have examined the relationship between these demographic factors and empowerment have revealed quite interesting findings, which often differ for the same demographic factor. Examples of empowerment studies related to demographic factors are discussed next.

In relation to age, consistent findings were reported. It has been observed that older employees are likely to experience more empowerment than younger ones. Özaralli (2003),
for example, reports a significant correlation between employees’ age and empowerment ($r = 0.218$, $p<0.01$). The findings show that as employees grow older, they feel more empowered. Similarly, Hancer and George (2003) found that older employees ($M=64.13$, $SD=9.55$) indicated higher scores on the general dimension of empowerment than younger ones ($M=60.09$, $SD=9.93$). It was further found that for all empowerment dimensions, the differences between the subgroups of older and younger employees were statistically significant ($p<0.01$).

Unlike the consistent findings regarding age, the investigation of gender and empowerment appears to demonstrate mixed findings. According to Kanter (1977), women are expected to feel less empowered in organisations because of their traditional token status, but contrary to this claim, Hancer and George (2003) found that female respondents of restaurant chain in the United States ($M=62.19$, $SD=9.85$) had higher scores than the males ($M=60.71$, $SD=10.17$); a statistically significant difference between gender and empowerment was reported ($p<0.01$). The contrary findings discovered by Hancer and George (2003) with respect to the claim made by Kanter (1977) could be attributed to the 26 years which elapsed between the two studies. During this time, the traditional perspective of women’s role had evolved so that they were now actively participating in many important roles in society and the economy, in a similar way to men. Meanwhile, Özaralli (2003) demonstrated an insignificant difference between male and female managers of eight different Turkish organisations as to their empowering behaviour. Similarly, Tuuli and Rowlinson (2009) and Dimitriades and Kufidu (2004) found that gender and empowerment were not significantly related in the context of Hong Kong construction firms and Greek tertiary education institutions respectively. Given these mixed findings, Dimitriades and Kufidu (2004) consider that the relationship between gender and empowerment remains unclear and warrants further investigation.

Individuals with higher levels of education are likely to feel more empowered, particularly with respect to the competence dimension of empowerment (Spreitzer et al., 1997). Krams (1983) advocates that better educated people would be more likely to experience feelings of empowerment, as they are more likely to be oriented towards careers or professions (Ergeneli et al., 2007). In congruence with these arguments, Özaralli (2003) found that university graduates expressed more self-empowerment compared to primary and high-school graduates ($p<0.05$). Similar findings are reported by Ahmad and Oranye (2010), who
found a significant relationship between education level and empowerment, at a significance level of $p<0.001$. By contrast, Hancer and George (2003) report that employees with high school or less education ($M=61.71$, $SD=10.30$) scored more highly on empowerment than those with post-high school education ($M=61.62$, $SD=9.88$), although it was only in the dimension of meaning that the difference was statistically significant ($p<0.01$). As with gender, more studies should investigate and attempt to clarify the relationship between education and empowerment, given these inconsistent findings. Spreitzer (1996) emphasises that higher levels of education are critical for enhancing empowerment, particularly in terms of providing the skills and abilities individuals need to feel competent (one of the dimensions of empowerment). Spreitzer (1996) seems to support the further investigation of empowerment and education.

According to Schneider (1987), the longer their tenure, the better employees are adapted to the work atmosphere and to learning through experience, which creates feelings of competence and empowerment (Ergeneli et al., 2007). This suggests that as employees gain experience through their tenure, they feel more empowered. There are studies which support a positive relationship between organisational tenure and empowerment. Koberg, Boss, Senjem and Goodman (1999), for instance, reports that feelings of empowerment increased as tenure within the organisation increased ($F=2.91$, $df=5, 565$, $p=0.01$). Similarly, Özarakli (2003) found a significant correlation between organisational tenure and empowerment ($r=0.207$, $p=0.005$), reporting that employees with tenure of seven years or more felt more empowered than employees whose tenure was three years or less. Hancer and George (2003) also found a positive relationship between the two; in their study, employees with more than two years tenure ($M=62.45$, $SD=9.96$) had higher scores on empowerment than those with less than two years ($M=61.29$, $SD=9.97$). On only one dimension (competence) was the difference statistically significant ($p<0.01$), but this does seem to support the claim made Schneider (1987) of a strong link between competence and organisational tenure. It is worth noting that similar findings have been reported between age and empowerment and between organisational tenure and empowerment, both being revealed as significant relationships. As employees grow older and their tenure increases, they will gather more experience which will help to develop their competence (one empowerment dimension) and lead them to feel more empowered.
Denmark (1993) argues that the higher the status of an individual, the more empowered he or she is perceived to be. In similar work, Koberg et al. (1999) found a significant positive relationship between an individual’s rank in the organisation and empowerment ($F=3.23, df=3.377, p<0.05$). Ergeneli et al. (2007) confirm the direct and positive effect of rank on an individual’s overall empowerment, noting that when managerial level increased from supervisor to manager, overall empowerment also tended to increase ($R^2=0.079, F (6, 209)=2.57, p<0.05$).

The United States Census Bureau (1992, cited by Koberg et al., 1999) found that certain members of minority and ethnic groups might feel empowered less often because they typically hold less powerful positions in organisations and are overrepresented at lower levels. Contrary to this report, Koberg et al. (1999) found that empowerment did not differ significantly between whites ($M=4.87$) and non-whites ($M=4.89$). Whilst Koberg et al. (1999) examined ethnicity and empowerment from the employee perspective, Pitts (2005) focused on the managerial level and found that managers of colour were less likely than whites to empower subordinates, with the relationship marginally significant at the 0.1 level. Pitts’s (2005) findings contradict the theoretical claim that managers of colour are likely to empower others due to the collectivist culture of the minority group, where people are more likely to define themselves as part of a group and focus on building relationships rather than preserving power (Hofstede, 1980; Pitts, 2005). Ethnicity has not been considered specifically in the context of empowerment (Pitts, 2005), which suggests that there should be more research into this issue. Besides, it is observed that the discussion of ethnicity in relation to empowerment has drawn heavily on the Western environment and is limited elsewhere; hence, an exploration of the empowerment of ethnic groups within different nations should be considered.

While empirical findings pertaining to the relationship of empowerment to demographic factors (age, gender, education, organisational tenure, position and ethnicity) appear to vary from one factor to another, it is obvious that those factors where findings conflict, such as gender, education and ethnicity require further investigation.

This completes the discussion of factors influencing empowerment; the following section turns to a review of the outcomes of empowerment.
2.10 Intrinsic motivation: outcomes of empowerment

This section discusses the outcomes of empowerment. Before turning to the focus of the study (i.e. intrinsic motivation), a brief overview of other commonly highlighted outcomes of empowerment is presented. Apart from giving the overall picture of such outcomes, this overview is intended to position intrinsic motivation as the main one. Meanwhile, the discussion of intrinsic motivation will concentrate on its definition, its measurement and its interfaces with empowerment and leadership behaviour.

Empowerment is known for its impressive benefits. Kinlaw (1995) states that ‘what is truly extraordinary about empowerment is that it produces tremendous payoffs’ (p. 71). The literature indicates that these benefits can be categorised as being seen from two perspectives: the organisation and its employees. Hence, the discussion of the outcomes of empowerment will take these two perspectives sequentially, beginning with that of the organisation.

Many potential benefits of empowerment for organisations have been identified, the most commonly cited being competitiveness, managerial effectiveness, customer service quality and customer satisfaction. Ergeneli et al. (2007) point out that empowerment contributes towards the fundamental good of organisational competitiveness. It is suggested that empowerment helps an organisation to reduce overheads and facilitate efficiency, which inevitably allows it to stay competitive (Kinlaw, 1995). Similarly, Hammudda and Dulaimi (1999) believe that empowerment programmes make the organisation more flexible and responsive to the market, which contributes to its competitiveness. The suggestion of a link between empowerment and competitiveness is supported by Nielsen and Pedersen (2003) in a study of financial service retailers which found that empowerment had an impact on competitiveness ($r=0.20, p<0.10$).

Besides competitiveness, another potential organisational benefit of empowerment is managerial effectiveness. Thomas and Velthouse (1990) suggest that empowerment will increase concentration, initiative and resiliency, and thus managerial effectiveness, which will then be reflected in the overall level of organisational effectiveness. According to Spreitzer (1995), empowered managers see themselves as competent and able to influence their jobs and work environments in meaningful ways. They are likely to execute their job’s
responsibilities proactively by anticipating problems and acting independently, and hence are likely to be seen as effective. In a study of a Fortune 50 industrial organisation in the United States, Spreitzer (1995) found a significant relationship between empowerment and managerial effectiveness ($\gamma=0.26, p<0.001$). Furthermore, the structural model for empowerment and managerial effectiveness was found to be a strong fit to the data (AGFI=0.95, RMSR=0.05, NCNFI=0.96).

Another factor argued to be an outcome of empowerment is improved customer service quality. Empowerment encourages individuals to make appropriate and reasonable decisions that result in improved processes and products; in return, management gains a more powerful endowment called total quality (Scarnati & Scarnati, 2002). Tschohl (1998) and Ueno (2008) suggest that exceptional customer service which enhances the level of service quality may be created through the empowering of employees, as ‘empowered employees can respond promptly to the individual customer's needs and do whatever it takes to delight the customer’ (He et al., 2010, p. 38). In similar mode, Kondo (1997) asserts service quality as a powerful source of employees’ empowerment. When quality is improved, cost can be reduced and productivity increased (Kondo, 1997). Nielsen and Pedersen (2003), in a study of employees of a Danish financial institution, found that empowerment had a positive impact on service quality ($r=0.34, p<0.01$). He et al. (2010) similarly report that empowerment was found to be positively related to service quality in a study conducted among employees of a United States hospitality organisation ($\gamma_{11}=0.31, p<0.001$).

Empowerment creates satisfied customers due to the higher quality of decisions, actions and outputs (Klagge, 1998). It enables employees to make decisions of their own for the benefit of the firm’s customers and results in customer satisfaction (Ergeneli et al., 2007). In other words, empowered employees use their judgement to take care of situations and solve customer-related problems, so that customer satisfaction is created (Moore et al., 1998). Indeed, empowered employees not only respond to customer needs directly during service delivery but also deal with dissatisfied customers during service recovery (Ergeneli et al., 2007). According to Sanes (1996), companies which have empowered their employees report that they typically earn more than comparable companies and that their customer satisfaction and customer retention rates are higher. Ugboro and Obeng (2000)
validated a significant relationship between empowerment and customer satisfaction ($r=0.4969$, $p<0.0001$).

From the perspective of the employee, job satisfaction, organisational commitment, job performance, innovative behaviour and motivation are among the widely claimed potential outcomes of empowerment. Empowerment, it is argued, leads to desirable employee behaviours and outcomes, such as job satisfaction (Dewettinck & Ameijde, 2011; Menon, 2001; Meyerson & Kline, 2008; Wat & Shaffer, 2005). According to Klagge (1998), empowerment creates satisfied employees due to more pride, self-esteem, confidence and a sense of ownership. Research has demonstrated the empirical link between empowerment and job satisfaction. Spreitzer et al. (1997) report a positive link between the four dimensions of empowerment and job satisfaction ($R^2=0.42$, $F=12.17$, $p<0.001$). A significant positive correlation was also found between job satisfaction and empowerment by Bordin et al. (2007) ($r=0.49$, $p<0.001$). Adding the stronger relationship between empowerment and job satisfaction, He et al. (2010) also found a statistically significant relationship between the two ($\gamma_{21}=0.39$, $p<0.001$).

Organisational commitment is also shown to be an important outcome of empowerment (Chiang and Jang, 2008; Bordin et al., 2007; Liden, Wayne & Sparrowe, 2000; Siegall and Gardner, 2000). Empowerment contributes to a sense of commitment towards the organisation through the process of reciprocation (Dewettinck & Ameijde, 2011). It is suggested that employees tend to feel appreciated when they are allowed to encounter the benefits of empowerment and that they are therefore likely to reciprocate by being more committed to the organisation (Bordin et al., 2007). Similarly, Honold (1997) points out that ‘the greater the empowerment, the greater the job autonomy, the more involvement beyond the defined job of the individual, the greater the organisational commitment’ (p. 3). Bordin et al. (2007) report a significant positive correlation between organisational commitment and empowerment ($r=0.41$, $p<0.001$). A similar result was found by Dewettinck and Ameijde (2011), who also confirmed the relationship between organisational commitment and empowerment ($B=0.64$, $p<0.001$). It is important to note the claimed link between empowerment, job satisfaction and organisational commitment (Chang, Shih, & Lin, 2010; Bordin et al., 2007; Vacharakiat, 2008). Results from an exploratory model developed by Chang et al. (2010), for example, show that empowerment influences organisational commitment through the mediating effect of job satisfaction. The
model indicated an adequate model fit to the data \( \chi^2=29.24, df=17, p=0.052, \text{AGFI}=0.96, \text{GFI}=0.98, \text{RMSEA}=0.05 \).

Alongside job satisfaction and organisational commitment, performance is also frequently cited as an important outcome of empowerment (Hall, 2008; Hechanova et al., 2006; Liden et al., 2000; Meyerson & Kline. 2008). Empowerment is proposed to lead towards greater effort, persistence and flexibility, all of which are behaviours that enhance performance (Hall, 2008). It is claimed, therefore, that empowered individuals should perform better than those individuals who are less empowered (Liden et al., 2000; Nielsen & Pedersen, 2003). Hechanova et al. (2006) found support for the relationship between empowerment and job performance, where empowerment was reported to be significantly related to job performance \( \tau=0.12, p<0.05 \). Elsewhere, Meyerson and Kline (2008) also revealed the same findings \( F(1,191)=60.931, p<0.01, \Delta R^2=0.182 \).

Empowerment is believed to enable innovative behaviours in organisations (Conger & Kanungo, 1988; Holdsworth, 2007; Pieterse et al., 2010; Spreitzer, 1995; 2008). Empowered employees believe that they are autonomous and feel self-efficacious; therefore they are more likely to be innovative in their work (Spreitzer, 1995). Abd Ghani and Raja Hussin (2009) confirm the existence of a significant relationship between empowerment and innovative behaviour \( \tau=0.32, p<0.01 \). Similar results are reported by Spreitzer (1995), who found empowerment and innovative behaviour to be significantly related \( \gamma=0.30, p<0.001 \).

There is an argument that outcomes of empowerment are not direct, rather they are mediated by employees’ motivation (Sparrowe, 1994). This appears to suggest that the essential role of motivation is to facilitate the realisation of the other empowerment outcomes. Heller (1998) argues that ‘for an employee, the chief advantage of being motivated is job satisfaction, for the employer, it means good quality work’ (p. 6). Additionally, Heller (1998) points out that highly motivated employees supply organisations with new initiatives that are necessary in the competitive business world. It is also suggested that if individuals are highly motivated, they will be more productive and perform better (Sargent, 1990). Forsyth (2000) further emphasises the importance of motivation, as it increases efficiency, effectiveness and productivity in the organisation. Meanwhile, Mishra and Kanungo (1994) identify a poorly motivated workforce, along with
obsolete technology and poor infrastructure, as factors that are singled out to account for low productivity and inefficiency in many developing countries. Drake et al. (2007) empirically validated the claims that associate higher level of motivation with higher performance ($r=0.23$, $p<0.05$). Kappelman and Prybutok (1995) report a similar finding, that motivation explained satisfaction ($r=0.34$, $p<0.0001$). This provides support for the assertion that motivation indeed plays an important role in facilitating the outcomes of empowerment.

It is thus not surprising that a considerable body of literature claims that motivation is an important outcome of empowerment (Hancer & George, 2003; Hopkins, 1995; Klagge, 1998; Lee & Koh, 2001; Spreitzer, 1995; 1996). Indeed, the relationship between motivation and empowerment is supported by the findings of Kappelman and Prybutok (1995), who report it to be significant ($r=0.295$, $p<0.004$). Drake et al. (2007), on the other hand, provide only partial support for such a relationship, finding a significant correlation only between impact and task motivation ($r=0.23$, $p<0.05$), while correlations with the other two empowerment dimensions, competence and self-determination, were insignificant. The meaning dimension was not tested in the study, due to the simple nature of the task employed and the short duration of the experiment. Drake et al. (2007) did not find an overall link between empowerment and motivation, as only one dimension was significantly related to empowerment. These findings thus provide only partial support for the link between motivation and empowerment, and denote the need for further research. Moreover, it has been stated that little research has examined the presumed link between motivation and empowerment (Drake et al., 2007; Logan & Ganster, 2007).

Importantly, there have been limited attempts to further explore a specific type of motivation, i.e. intrinsic motivation, in relation to empowerment. Thomas and Velthouse (1990) are two of the earliest academics to have made this specific identification. They argue that the four dimensions of empowerment (impact, competence, meaning and self-determination) have additive motivational effects on employees. Moreover, Mallak and Kurstedt (1996) claim that empowerment embodies the concepts of intrinsic motivation, internal justification for decision making, shared responsibilities and integration for problem-solving. Elsewhere, Beach (1996) has equated empowerment with intrinsic motivation:
The concept of empowerment is similar to the concept of intrinsic motivation. A state of empowerment, in truth, can only come from within an individual. Empowerment, like intrinsic motivation, is an inner urge that drives people to some sort of action (p. 29).

Thomas and Velthouse (1990) note the importance of intrinsic motivation in workplace:

What is distinctive about intrinsically motivated behaviour is that this effort is not dependent upon supervision of others nor upon rewards mediated by others. Thus, individuals may not only work in the absence of close supervision, but also they may demonstrate flexibility in controlling their own task accomplishment, initiation of new tasks as problems or opportunities arise and resiliency to obstacles, sustaining motivation in the face of problems or ambiguity (p. 673).

Although Thomas and Velthouse (1990) identify empowerment with intrinsic motivation, they did not actually measure empirically the relationship between them. Investigation of empowerment and intrinsic motivation appears to be limited, despite the many claims of a relationship between them (Beach, 1996; Carless, 2004; Conger & Kanungo, 1988; Mallak & Kurstedt, 1996; Thomas & Velthouse, 1990). A review of the literature identifies few such studies.

The first was a team effort by Gagné, Senécal and Koestner (1997) to examine the relationship between job characteristics, empowerment and intrinsic motivation. The study emphasised the examination of each individual dimension of empowerment in relation to intrinsic motivation and found that only two dimensions of empowerment, i.e. meaning ($\beta=0.52, p<0.001$) and self-determination ($\beta=0.16, p<0.05$), were predictors of intrinsic motivation. Unexpectedly, the competence component had a significant negative link with intrinsic motivation ($\beta=-0.11, p<0.05$), while impact showed no relation to intrinsic motivation. In response to this last finding, Gagné et al. (1997) assert that one’s behaviour leading to intended effects does not increase employees’ motivation at work and that one explanation for the inverse relationship between competence and empowerment could be that employees feel competent, but are not acknowledged as such by the organisation. This lack of recognition could mediate the negative link between competence and various psychological constructs such as intrinsic motivation and job satisfaction. Gagné et al.
(1997) further justify their unexpected findings by identifying other studies which had also failed to find a significant positive link between competence and intrinsic motivation, such as that of Thomas and Tymon (1994), who found no significant link between competence and job satisfaction, and that of Senécal (1994 cited by Gagné et al., 1997), who found no significant relation between feeling competent and various psychological constructs such as motivation and job satisfaction. Secondly, Hechanova et al. (2006) investigated the relationship between empowerment, job satisfaction and performance with intrinsic motivation as a moderator. Although intrinsic motivation did not moderate the relationship between empowerment, job satisfaction and performance, there was a significant correlation between empowerment and intrinsic motivation ($r=0.23, p<0.05$). Third, Zhang and Bartol (2010) studied the putative link between empowering leadership and employee creativity, taking empowerment, intrinsic motivation and creative process engagement as the influential factors. Their study found that empowerment was positively related to intrinsic motivation ($\beta=0.31, p<0.05$). While Hechanova et al. (2006) and Zhang & Bartol (2010) provide support for the relationship between empowerment and intrinsic motivation, these studies alone provide insufficient support for a strong relationship between empowerment and intrinsic motivation. Moreover, the inconsistent findings reported by Gagné et al. (1997) further substantiate the need for more research into this link.

Since the study also includes leadership behaviour as part of the investigation into empowerment, the link between intrinsic motivation and leadership behaviour should be explored. The discussion of this link will be limited to transformational and empowering leadership because these constitute the focus of the present study. Transformational leadership is believed to affect intrinsic motivation through its characteristics of being supportive and promoting autonomy (Charbonneau, Barling, & Kelloway, 2001). Transformational leaders provide ideological explanations that link followers’ identities to the collective identity of their organisation, thereby increasing followers’ intrinsic motivation to perform their jobs (Jung, Chow, & Wu, 2004). Piccolo and Colquitt (2006) found support for the link between transformational leadership and intrinsic motivation ($r=0.20, p<0.05$). However, Charbonneau et al. (2001) found that only intellectual stimulation and individualised consideration were related to intrinsic motivation ($r$ range = 0.27 to 0.41, $p<0.01$) and not the charisma dimension of transformational leadership. The findings provide an indication of more support for the link between transformational
leadership and intrinsic motivation. Charbonneau et al. (2001) argue that there is a lack of research into intrinsic motivation in organisations and suggest future research to focus on whether transformational leadership is effective in the extent to which it enhances intrinsic interest in the task.

Meanwhile, research relating intrinsic motivation to empowering leadership is very scarce, considering that there appear to be natural links between the two constructs based on assertions made in the literature. Empowering leadership develops consistently with the requirements of the empowerment environment (Ahearne et al., 2005; Arnold et al, 2000; Clark et al., 2009; Pearce & Sims, 2002; Spreitzer et al., 1999). It involves the process of implementing conditions that increase employees’ feelings of self-efficacy and control (e.g. participative decision-making), removing conditions that foster a sense of powerlessness (e.g. bureaucracy) and allowing them the freedom to be flexible as circumstances warrant (Arnold et. al., 2000). The three components outlined above are aligned with the work of Conger and Kanungo (1988), who regard them as constituting the process of empowerment (Ahearne et al., 2005). Empowerment is presumed to be the proximal cause of intrinsic motivation (Thomas & Velthouse, 1990). Besides, it has been explained that empowerment accrues in heightened intrinsic motivation through the additive effects of its four dimensions of meaning, competence, self-determination and impact (Carless, 2004; Conger & Kanungo, 1988; Thomas & Velthouse, 1990).

A review of empowerment would not be complete without a discussion of the challenges involved. The next section aims to meet this need by presenting an overview of such challenges and to elucidate claims regarding failures to implement empowerment.

2.11 Challenges to Empowerment

Empowerment has become a very popular topic, generating a great deal of discussion and research, one conclusion of which is that it is rather a complex concept. Quinn and Spreitzer (1996), for example, argue that despite recognising the need for empowered employees, organisations often run into problems attempting to implement empowerment programmes. A review of the literature reveals four main themes that constitute the challenges to empowerment: culture, feelings of insecurity on the part of managers,
opposition from employees and organisational concerns about control. Each of these is discussed below.

Culture is most widely asserted to be a major challenge to empowerment (Eylon & Au, 1999; Randolph & Sashkin, 2002; Smith, 1997). It has been argued that it seems to be successful in some places but fails in others (Eylon & Au, 1999). To a certain degree, this is believed to be related to the cultural background of the individual. As mentioned in section 2.8, culture is frequently cited as a factor which may influence empowerment (Holden, 1999; Robert et al., 2000; Spreitzer, 2008). Given that empowerment is a product of American culture, its propositions are not necessarily embraced in different cultural contexts (Klidas, 2002). For example, empowerment was reported to be high in the United States but low in India (Robert et al., 2000). In the light of this view, there is a debate as to the usefulness of empowerment across different cultural and national background (Dimitriades, 2005; Eylon & Au, 1999). However, the different effects of empowerment are explicable through the power distance dimension of national culture developed by Hofstede (1980). According to this model, the United States is characterised as a low power distance country; therefore organisations are more decentralised, subordinates expect to be consulted and the leader is viewed as a resourceful democrat. Consistent with this, employees and leaders will welcome involvement in decision-making and enhance the movement to empowerment (Randolph & Sashkin, 2002). On the other hand, India is categorised as a high power distance country (Hofstede, 1980) and its community is seen to be socialised to working under benevolent autocratic leadership, where decisions and task guidelines are provided from above and the overall work environment is fairly structured and formal (Eylon & Au, 1999). As a result, it is possible that the community may not be comfortable with empowerment and may even perform better in disempowered conditions where tasks are structured, information is more limited and responsibilities are explicit and few (Eylon & Au, 1999). These cultural differences, by implication, can create challenges to empowerment if it is implemented without proper knowledge of the specific culture. Randolph and Sashkin (2002) agree that ignoring the impact of cultural differences on the application of empowerment may render the effort a failure; they warn that leaders must carefully learn about the local culture before attempting to introduce empowerment. Specifically, it is suggested that to provide a successful empowerment programme, managers must verify that the intervention is appropriate for the culture within which it is executed (Eylon & Au, 1999).
Next, feelings of insecurity on the part of managers are also observed to constitute a challenge to the implementation of empowerment. Yukl (2002) identifies opposition by managers who feel threatened as among the potential costs and risks of empowerment. Smith (1997) asserts that for some managers, feelings of insecurity may act against relinquishing power which they value and which has been hard won. Subscribing to the same notion, Hand (1995) asks: ‘If people are empowered to make decisions, traditionally the prerogative of managers, what role do managers have left?’ (p. 38). It is observed here that the leaders’ feelings of insecurity appear to derive from the threat of losing power and authority. In response, Hand (1995) suggests that the whole concept of management needs to be redefined. Managers should now be accountable to the teams with which they work and will succeed through influence rather than the traditional command and control.

Just as managers fear the loss of authority and control, employees, for their part, are often apparently opposed to empowerment (Fragoso, 1999; Johnson, 1994; Klagge, 1998; Ueno, 2008). Such opposition may be due to fear of being blamed if mistakes are made or to their view of empowerment as a burden of responsibility (Darling, 1996; Johnson, 1994; Ueno, 2008). Employees are concerned that if they make poor judgements they will be held responsible, which may lead to undesirable situations, like demotion, withholding of increments or transfer to another department. This fear undermines the commitment, motivation and confidence of employees and, most importantly, true empowerment cannot occur (Hand, 1995). Darling (1996) proposes that organisations should allow some room for employees to make mistakes when they have more latitude to make decisions, in order for empowerment to take place effectively. Apart from the fear of blame if mistakes are made, the challenges to empowerment include the issue of employees possibly interpreting empowerment as an extra responsibility that increases their workload, or an abdication by their managers of their rightful leadership role (Darling, 1996). Klagge (1998) proposes to deal with ‘unwilling employees’ by providing more encouragement, including training, confidence-building and support from managers. Similarly, Smith (1997) argues that for empowerment to flourish, employees need to feel that they own the authority and that they are genuinely contributing to customer satisfaction and business objectives, thus adding value to products, services and the bottom line of the organisation. If the sense of ownership of the concept is not created, employee empowerment will invariably fail (Honold, 1997). However, dealing with feelings of managerial insecurity and employee opposition is rather complicated, as it entails the need for a new approach or mindset.
Empowerment can be seen as a need for a paradigm shift in thinking and acting which can challenge the way things are done – and this may appear threatening to people with strongly held traditional views about management (Nielsen & Pedersen, 2003; Smith, 1997). Smith (1997) further contends that empowerment is about a significant mindset change, which takes time and real commitment.

Organisational leaders have also raised serious concerns as to how much power to extend to the workforce without undermining their own prerogatives, such as control and direction of company policy (Holden, 1999). In a similar vein, Smith (1997) notes that when embarking on a journey towards empowerment, there is a concern about how much autonomy to give or allow. This is related to the issue of the risks of expensive giveaways and bad decisions which can be made by some employees (Yukl, 2002). However, empowerment represents a revolution in working relationships between people, and the extent to which their individual and collective talents can be liberated and focused in a common direction represents a great opportunity that is worth striving for (Hand, 1995). Organisations are urged to keep faith with their vision and to draw up an action plan to chart direction, set goals and establish measures of success (ibid). Cook (1994) and Rowlands (1995) argue the need for organisations to formulate a review and monitor system as part of the empowerment process, in order to establish a means of evaluation.

These four challenges indicate that empowerment is not an easy process; rather, it requires substantial effort and persistence for its successful implementation. They also signify that appropriate knowledge, good communication, clear expectations and full participation will help to effect empowerment effectively. Once established, empowerment can result in continuing improvement in both organisational and employee performance (Kinlaw, 1995).
2.12 Summary

This chapter has provided the first part of a review of the empowerment literature. Specifically, it has identified the existing gaps in the current academic literature that supports the position of the current study.

The chapter began by reviewing the overabundant definitions of empowerment available in the literature and arguing that there is no conclusive one. However, two prominent views have been discovered: the structural and psychological approaches to empowerment. While the former emphasises the use of management techniques to share power and decision-making down the hierarchy (Ahearne et al., 2005; Hechanova et al., 2006; Mills & Ungson, 2003; Spreitzer, 2008), the latter focuses more on the individual experience of empowerment, i.e. what individuals have to feel in order for interventions to become effective, rather than specific management practices intended to empower individuals (Dewettinck & Ameijde, 2011; Spreitzer et al., 1997). The structural approach is, however, subject to criticism. It has been argued that it does not adequately address the nature of empowerment as experienced by employees (Chan et al., 2008; Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990). Besides, management practices such as delegation of decision-making and access to information and resources (i.e. the structural approach to empowerment) are said to be only one set of conditions; such practices may empower but will not necessarily do so (Spreitzer, 1995). Most importantly, it is suggested that it is more efficacious to study empowerment from the perspective of an individual employee, as its expected benefits will be realised only if the employees actually experience empowerment, i.e. if they are in the psychological state of empowerment (Menon, 2001). Given the deficiencies of the structural approach in neglecting the individual experience in the empowerment process, the primary focus of the study is the psychological approach.

The chapter then considered the measurement of psychological empowerment. Two scales were discussed, i.e. those of Menon (2001) and Spreitzer (1995), considering their clear independent empirical support, as opposed to other scales for psychological empowerment available in the literature. Although Menon’s (2001) scale has its usefulness in measuring psychological empowerment, it was noted that it has had relatively limited application to other organisational contexts, particularly service organisations, where empowerment is highly important (Hechanova et al., 2006; Ueno, 2008), and to other cultural settings. By
contrast, Spreitzer’s (1995) scale offers many promising advantages. In addition to its reported sound factorial structure and stronger reliability, Spreitzer’s (1995) scale has also been supported with persuasive evidence in a variety of organisational contexts and cultures. Considering these advantages, the study chose Spreitzer (1995) over Menon (2001).

Following this, the focus turned to a discussion of the five-stage framework of empowerment proposed by Conger and Kanungo (1988), with emphasis on antecedent conditions for empowerment, the empowering experience and the expected behavioural consequences. It is important to note that the current study is not intended to investigate the framework itself, but rather to use it as a platform to develop a theoretical framework specific to the aims of the study.

It is recognised that the impact of empowerment is highly dependent on the interaction of environmental and personal variables (Ergeneli et al., 2007; Yagil, 2006). Specifically, these variables are those influencing factors that may either cultivate or restrain empowerment in the organisation. Countless factors may potentially influence empowerment. Among the most commonly identified are trust, job design, access to information and resources, training, support, organisational structure and leadership behaviour, this last being regarded as exerting the strongest influence (Bartram & Casimir, 2007; Bordin et al., 2007; Chen et al., 2007; Greasley et al., 2005; Klidas et al., 2007; Laschinger et al., 2009; Masi & Cooke, 2000). While studies appear to confirm the link between leadership behaviour and empowerment, most have taken the former to be the antecedent of the latter (Bartram & Casimir, 2007; Chiang & Jang, 2008; Masi & Cooke, 2000; Özaralli, 2003). Investigation of alternative relationships, particularly of empowerment as the antecedent to leadership behaviour and of leadership behaviour as mediator of the relationship between empowerment and its outcomes, seems to be limited (Meyerson & Kline, 2008). This raises important implications for further research and the present study thus hopes to explicate these links.

Empowerment has been associated with several types of leadership behaviour: participative (Huang et al., 2006), supportive (Carless, 2004; Chiang & Jang, 2008), charismatic (Choi, 2006; Conger, 1999), transactional (Meyerson & Kline, 2008), transformational (Avolio et al., 2004; Bartram & Casimir, 2007; Masi & Cooke, 2000) and empowering (Dewettinck &
Ameijde, 2011; Spreitzer et al., 1997). Only the last two of these, i.e. transformational and empowering leadership behaviour, are investigated in detail in this study, being considered the most relevant within the empowerment environment (Spreitzer et al., 1997; Yukl, 2002). Transformational leaders, through their essential inspirational ability, are able to produce a sense of meaningfulness, competence and impact (i.e. dimensions of empowerment) among followers (Dewettinck & Ameijde, 2011). Empowering leadership, on the other hand, is believed to better suit an environment of empowerment by embracing the phenomenon of innovation that is apparently consistent with the tenets of empowerment (Dewettinck & Ameijde, 2011). More importantly, empowering leadership draws on the elements of leadership behaviour most focused on making change, which corresponds to empowerment in that it facilitates innovative behaviours (Masi & Cooke, 2000; Spreitzer et al., 1997; Vecchio et al., 2010). While there have been studies of transformational leadership and empowerment (Bartram & Casimir, 2007; Masi & Cooke, 2000) (apparently seeing transformational leadership as antecedent to empowerment), empirical investigation of empowering leadership and empowerment itself is in its infancy (Ahearne et al., 2005; Arnold et al., 2000; Chen et al., 2007; Spreitzer et al., 1999). Thus, more research into this link is warranted.

Two other important factors influencing empowerment were identified from the literature: culture and demographics (Dimitriades & Kufidu, 2004; Hancer & George, 2003; Holden, 1999; Pitts, 2005; Robert et al., 2000; Spreitzer, 2008; Tuuli & Rowlinson, 2009). These are included as part of the main discussion of the study as being likely to affect its findings to some degree. More important, some empowerment studies in relation to cultural and demographic factors (e.g. Dimitriades, 2005; Dimitriades & Kufidu, 2004; Hancer & George, 2003; Koberg, 1999; Özaralli, 2003; Pitts, 2005; Sigler & Pearson, 2000) have reported conflicting findings, which signifies the need for further empirical investigation.

Empowerment is widely known for its impressive outcomes, from both organisational and employee perspectives. The most frequently discussed organisational outcomes are competitiveness, managerial effectiveness, customer service quality and customer satisfaction (Ergeneli et al., 2007; Nielsen & Pederson, 2003 & Spreitzer, 1995; Ugboro & Obeng, 2000), while from the perspective of employees, those most often examined are job satisfaction, organisational commitment, job performance, innovative behaviour and motivation (Bordin et al., 2007; Chang et al., 2010; Meyerson & Kline, 2008; Kappelman &
Prybutok, 1995; Spreitzer, 1995). Of all outcomes, however, motivation seems to have received little attention (Drake et al., 2007; Logan & Ganster, 2007). Importantly, it is observed that there have been limited attempts to further explore specifically intrinsic motivation in relation to empowerment, despite a claimed association between the two (Beach, 1996; Mallak & Kurstedt, 1996; Thomas & Velthouse, 1990). Although there are studies demonstrating the link between empowerment and intrinsic motivation, these are very few and report fairly moderate support for the link.

This chapter ends with a review of the challenges to empowerment, identifying four main factors contributing to these challenges: culture, feelings of insecurity by managers, opposition by employees and organisational concerns over control (Darling, 1996; Eylon & Au, 1999; Hand, 1995; Holden, 1999; Yukl, 2002). Of these, feelings of insecurity and opposition by employees seem to be rather complicated and to entail the need for a new approach or mindset. Neilsen and Pedersen (2003) highlight empowerment as a paradigm shift in thinking and acting which can challenge the way things are done and which appears threatening to people with strongly held traditional views about management. Smith (1997) agrees and explains that empowerment requires time and real commitment. In general, the review of the challenges implies that empowerment is rather a complex process which requires persistent collaborative efforts from both organisations and employees.

The review presented in this chapter has identified several gaps in the current literature, regarding the following: the importance of the psychological approach to empowerment from the research point of view, the need for more work emphasising leadership behaviour as antecedent to empowerment, the paucity of empirical research into empowering leadership with regard to empowerment, the conflicting findings on demographic characteristics (gender, education and ethnicity) in relation to empowerment and the lack of empirical evidence of intrinsic motivation as the outcome of empowerment. These are not the only such gaps relevant to the current study, however. The remaining gaps are examined in the next chapter, a continuation of the literature review; specifically, it offers a contextual review, addressing the research and organisational contexts of the current study.
3 EMPOWERMENT: A CONTEXTUAL REVIEW

3.1 Introduction

As an approach that is founded in American culture (Dimitriades, 2005; Eylon & Au, 1999; Klidas, 2002), it is unsurprising that there has been much empirical research into empowerment in the American regions (e.g. Ahearne et al., 2005; Corsun & Enz, 1999; Dee et al., 2003; He et al., 2010; Koberg et al., 1999; Masi & Cooke, 2000; Spreitzer, 1995; Spreitzer et al., 1997; Stewart et al., 2010). Since American academics are increasingly recognising the benefits of empowerment for organisational effectiveness (Koberg et al., 1999; Spreitzer, 1995), a belief in the advantages of empowerment seems to be accepted by academics of different cultural backgrounds. There have also been investigations in various other countries with cultural backgrounds different from that of America, such as the United Kingdom (Ahmad & Oranye, 2010; Greasley et al., 2005; Holden, 1999; Holdsworth & Cartwright, 2003), Spain (Barrutia, Charterina & Gilsanz, 2009), Greece (Dimitriades, 2005; Klidas, 2002), Turkey (Ergeneli et al., 2007; Özaralli, 2003), India (Bhatnagar, 2005; Krishna, 2007), China (Aryee & Chen, 2006; Huang et al., 2006; Zhang & Bartol, 2010) and Taiwan (Chang et al., 2010; Chiang & Jang, 2008; Kuo et al., 2010). This research has had mixed results, but much of it has to a certain degree confirmed the positive outcomes of empowerment, despite its strong association with the domain of American influence (see Ahmad & Oranye, 2010; Chiang & Jang, 2008; Ergeneli et al., 2007; Holdsworth & Cartwright, 2003; Huang et al., 2006; Kuo et al., 2010; Özaralli, 2006). It is noted that many studies of the different cultural contexts tend to emphasise European and Asian regions, yet empirical research into empowerment within a specific part of Asia, i.e. South East Asia, remains scarce (Bordin et al., 2007; Hechanova et al, 2006). Although it is true that some work has been done in Singapore (Bordin et al, 2007), the Philippines (Hechanova et al., 2006) and Thailand (Kullavanitiwat, 2007), studies set in other South East Asian countries such as Malaysia appear to be limited.

Whilst the above point highlights the dearth of empirical empowerment research in specific countries like Malaysia, limitations are also observed with regard to the lack of empowerment research in certain organisational contexts. It is noted that empowerment tends to be emphasised within service organisations compared to other types (Chebat & Kollias, 2000; Corsun & Enz, 1999; Lashley, 1999; Melhem, 2004; Yun Lin, 2002).
Empowerment is argued to be relevant for service organisations because it offers employees ways to respond promptly to the individual needs of increasingly demanding customers and unpredictable service situations (Chebat & Kollias, 2000; Klidas, 2002). It has been pointed out that empowered employees are likely to provide higher quality customer service, which is believed to be a source of competitive advantage for an organisation (Corsun & Enz, 1999; He et al., 2010). This could also perhaps support the perception of empowerment as the most crucial mechanism for service organisations (Chiang & Jang, 2008; Klidas, 2002; Yun Lin, 2002). There have been many studies of empowerment in different types of service organisation, including call centres (Bartram & Casimir, 2007; Carless, 2004; Holdsworth, 2007; Holdsworth & Cartwright, 2003), hotels (Chiang & Jang, 2008; Klidas, 2002; Klidas et al., 2007; Salazar & Salazar, 2006; Sparrowe, 1994), hospitals (Ahmad & Oranye, 2010; Avolio et al., 2004; Loughman et al., 2009) and restaurants (Hancer & George, 2003; Lashley, 1999). Paradoxically, empowerment research in other service industries such as banking appears to be largely unknown at present, notwithstanding that banking involves a large volume of customer interactions in which service quality is strongly emphasised.

This chapter continues the literature review; basically, it offers a contextual review, addressing the research and organisational context of the current study. Specifically, it aims to provide an assessment of the development of empirical research into empowerment within the context of banking and in Malaysia. The chapter begins with a discussion of the research context of the study, first establishing the rationale for selecting Malaysia as the setting for the investigation, then presenting a review of empowerment in Malaysia. The organisational context is considered next. Banking is justified as the chosen organisational context and the chapter continues with a discussion of empowerment in banking. Finally, the findings of the literature review presented in chapter two and those of this chapter are integrated, enabling the identification of the main areas of investigation absent from the current academic literature, addressing the relationship of empowerment and intrinsic motivation with leadership behaviour as the influencing factor, specifically by looking into the context of banking in Malaysia (see Table 3.2 at the end of this chapter). These gaps are used to inform the development of research objectives, and the formulation of hypotheses and a conceptual framework specific to the current study. Discussion of the research objectives alongside the hypotheses and conceptual framework are then provided, before the chapter summary.
3.2 Selection of Malaysia as research context

Malaysia is not an ethnically homogenous country, about 60 per cent of the population being Malay, 27 per cent Chinese, seven per cent Indian and six per cent others (Fontaine & Richardson, 2003; Lim, 2001; Westwood & Everett, 1995). It is thus a country with a multicultural background, which makes it different from Western countries; hence it is useful to question to what degree products of Western culture such as empowerment influence behaviour in the workplace in Malaysia. Most Malaysian academics argue that although Western management theories go some way to explaining behaviour in the Malaysian workplace, a narrowly Western approach misses the richness of the relationships among ethnic groups (Asma, 1992; 2001; Lim, 1998, cited by Fontaine & Richardson, 2003). This signifies the need for further research into Western theoretical constructs such as empowerment in Malaysia, studying the various ethnic groups and investigating the possibility of empowerment differences among them.

As discussed earlier (section 2.8), cross-cultural differences are reported in some of the empirical research into empowerment. For example, Holden (1999) reports a different empowerment practice between banks in Sweden and the United Kingdom, whereby Swedish bank employees felt that they had a greater degree of empowerment than their British counterparts. In a more comprehensive study by Klidas (2002), empowerment was compared across luxury hotels of seven European countries: England, Sweden, the Netherlands, Italy, Greece, Portugal and Belgium. It revealed that employees of hotels in the north European cluster (i.e. England, Sweden and the Netherlands) were more inclined to demonstrate empowered behaviour during service delivery than those in the south (i.e. Italy, Greece, Portugal and Belgium). These findings were supported by interviews with managers of the hotels. Managers in the north confirmed that their employees indicated their empowerment by engaging in behaviours outside the boundaries of their roles and would not seek management assistance when dealing with non-routine service situations. Conversely, southern European managers reported that their employees would normally seek management involvement with regard to non-routine situations. These cross-cultural differences suggest the possibility of different empowerment practices across countries globally. Hence, exploration of empowerment in other distinctive cultures would seem to be required in order to position empowerment as a more universal management concept.
More specifically, these cultural differences provide some degree of support for conducting empowerment research in Malaysia.

The final reason for selecting Malaysia as the research context concerns the view that comprehensive research into empowerment in Malaysia has been rather limited. Taking a somewhat broader perspective, Bordin et al. (2007), for instance, report a dearth of research into empowerment in South East Asian settings. Subscribing to a similar view, Hechanova et al. (2006) initiated an empowerment investigation in the Philippines to address the systematic lack of empowerment research in the South East Asian region. From a narrower perspective, Raquib et al. (2010) note the paucity of systematic research on empowerment in Malaysia, specifically looking into its real impact upon many sectors in Malaysia. They further encourage future researchers to seek evidence of the degree of influence of empowerment on Malaysian organisations and their workforce. Although a review of the academic literature shows that there have been few empowerment studies in Malaysia, those which have been reported are notable for their different settings and constructs. Detailed discussion of these studies is presented in the following section in order to distinguish the current study from the existing ones.

3.3 Empowerment in Malaysia

Empowerment is observed to have been a practice in Malaysia for many years. Circulars have been issued by the federal government since the 1990s with regard to the need to exercise empowerment within government departments in order to ensure the quality and excellence of results (Malaysian Administrative Modernisation and Management Planning Unit, 2009). In the Ministry of Education, for example, empowerment was initiated as early as 1995. Empowerment in the Ministry includes practices related to the implementation of education policy, the autonomy of teachers and teaching and the sharing of power by the leaders of institutions with their subordinates (Abd Ghani et al., 2009). Over the last two decades, empowerment has been proven to enhance the standard of service in the public sector. In an interview with a Malaysian newspaper, the Chief Secretary to the government claimed that the public delivery system in government had been greatly improved by the implementation of empowerment, which had made civil servants faster and more responsive in dealing with public requests (Hassan, 2007). Interestingly, the Chief Secretary further claimed that these improvements had positioned the government sector at or even
above the standard of the private sector. In the case of government-owned agencies, empowerment is also noted as part of their work culture, having been established to ensure the effective administration and management of the agencies’ business operations (Bank Pembangunan Malaysia Berhad, 2010). As for the private sector in Malaysia, empowerment is not new, but has long been applied in many different types of private organisation. Banks in particular are noted for the frequent application of empowerment in their business activities. This may be a consequence of the nature of their service activities and is more obviously connected with the high volume of customer interactions. Realising its high potential, some banks have further initiated empowerment as part of their philosophy in attaining excellent customer service and management of business operations (AMMB Holding Berhad Annual Report, 2008; Public Bank Berhad Annual Report, 2009).

A review of the literature reveals a limited number of empirical empowerment studies set in Malaysia. It is observed that the systematic study of empowerment in Malaysia did not begin until 2000, although empowerment had been practiced since the 1990s (Abd Ghani et al., 2009). This delay of a decade between the initiation of practice and empirical investigation apparently implies a lack of attention given by academics to the systematic study of empowerment in Malaysia. When such investigations began, many studies tended to emphasise structural empowerment (i.e. management practices of delegation of authority and resource sharing), while later more attention was given to psychological empowerment (i.e. individual experience of empowerment). A summary of empowerment studies set in Malaysia is given in Table 3.1.
<table>
<thead>
<tr>
<th>Author</th>
<th>Sample</th>
<th>Construct /Aim</th>
<th>Method</th>
<th>Approach</th>
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</thead>
<tbody>
<tr>
<td>Karia &amp; Ahmad (2000)</td>
<td>Private organisations in one state of Malaysia</td>
<td><strong>Independent:</strong> Empowerment and teamwork practices</td>
<td>Questionnaire Powell (1995)</td>
<td>Structural</td>
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<td></td>
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<td><strong>Dependent:</strong> Job involvement, job satisfaction, career satisfaction and organisational commitment</td>
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<td>Wan Mohd Amin, Muda &amp; Omar (2006)</td>
<td>Civil servants of federal and state agencies in one state of Malaysia</td>
<td><strong>Antecedent:</strong> Leadership communication</td>
<td>Questionnaire Short and Rhinehart (1992)</td>
<td>Structural</td>
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<td><strong>Mediator:</strong> Empowerment</td>
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<td><strong>Outcome:</strong> Job motivation</td>
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<tr>
<td>Samad (2007)</td>
<td>Managerial employees of a telecommunication company</td>
<td><strong>Independent:</strong> Social structural characteristics</td>
<td>Questionnaire Spreitzer (1995)</td>
<td>Psychological</td>
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<td><strong>Dependent:</strong> Empowerment</td>
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<td>Ab. Aziz (2008)</td>
<td>Hotel customers</td>
<td><strong>Independent:</strong> Empowerment</td>
<td>In-depth interviews</td>
<td>Structural</td>
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<td><strong>Dependent:</strong> Emotional dissonance</td>
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<td>Study Authors</td>
<td>Participants</td>
<td>Antecedent</td>
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<td>Abd. Ghani &amp; Raja Hussin (2008)</td>
<td>Lecturers in private higher education institutions</td>
<td>Trust, access to information, access to organisational support, access to resources and access to opportunity to learn and develop</td>
<td>Empowerment</td>
<td>Innovative behaviour</td>
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<td>Ismail et al. (2009)</td>
<td>Employees of local authority in one state of Malaysia</td>
<td>Transformational leadership</td>
<td>Empowerment</td>
<td>Service quality</td>
</tr>
<tr>
<td>Abd Ghani et al. (2009)</td>
<td>Lecturers in private higher education institutions</td>
<td>Trust, access to information, access to organisational support, access to resources and access to opportunity to learn and develop</td>
<td>Empowerment</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Authors</td>
<td>Context</td>
<td>Independent Variables</td>
<td>Dependent Variables</td>
<td>Questionnaire(s)</td>
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<td>Abd Patah et al. (2009)</td>
<td>Front office receptionists in five-star hotels in state of Kuala Lumpur</td>
<td><strong>Independent:</strong> Empowerment (differences across gender, age, tenure)</td>
<td><strong>Dependent:</strong> Overall job satisfaction</td>
<td>Questionnaire Fulford &amp; Enz (1995)</td>
</tr>
<tr>
<td>Raquib et al. (2010)</td>
<td>Employees in higher education, information technology and telecommunication service sectors</td>
<td><strong>Independent:</strong> Empowerment</td>
<td><strong>Dependent:</strong> Organisational performance</td>
<td>Questionnaire Self-developed</td>
</tr>
<tr>
<td>Ahmad &amp; Oranye (2010)</td>
<td>Registered nurses in one teaching hospital</td>
<td><strong>Independent:</strong> Empowerment</td>
<td><strong>Dependent:</strong> Job satisfaction and organisational commitment</td>
<td>Questionnaire Laschinger &amp; Havens (1996) and Spreitzer (1995)</td>
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Table 3.1 helps to position the current study from three points of view: construct, context and others. The first is basically concerned with the use of particular constructs in the studies. Context refers to the setting of the studies, whilst ‘others’ represents areas specific to the method of inquiry and demographics of the studies. Each of the three points is discussed in what follows.

With respect to constructs, three areas mentioned in Table 3.1 differentiate the current study from previous ones: empowerment as a mediator/dependent variable; leadership behaviour as an antecedent variable; motivation as an outcome to leadership. First, it is noted that of those studies which have investigated empowerment from the psychological perspective, many have taken empowerment as their mediator variable and others as their dependent variable. This contrasts with the current study, which takes empowerment as the antecedent variable (see section 2.7.1). Secondly, although some studies appear to be somewhat similar to the current one in investigating transformational leadership alongside empowerment, there is an important difference. While previous studies took transformational leadership as the antecedent variable, which apparently corresponds to the trend of many existing studies reported in the literature (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Özaralli, 2006), the current study adopts an alternative approach, taking transformational leadership as a mediator in the relationship between empowerment and its outcomes. As explained in section 2.3, management practices (which may include...
leadership behaviour) will not necessarily be able to empower employees (Spreitzer, 1995). There is an argument that employees still feel and act in empowered ways, even when their work lacks the objective features of empowerment (which may include transformational leadership) (Spreitzer, 2008). Precisely put, empowerment occurs when and only when employees believe that they are empowered (Greasley et al., 2008). Thus, it would be possible to have empowerment as the antecedent to transformational leadership or for transformational leadership to mediate the relationship between empowerment and its outcomes. Moreover, instead of examining a specific leadership behaviour type, the current study considers two types: transformational and empowering leadership (see section 2.7).

Third, the study by Wan Mohd Amin et al. (2006) is the one that appears most similar to the current study in that it examined empowerment in relation to motivation. However, it should be noted that the emphasis here was on extrinsic rather than intrinsic motivation, while the latter represents the main concern of the current study (see section 2.10). Furthermore, Wan Mohd Amin et al. (2006) investigated motivation as the outcome of the leadership construct, whilst the current study explores intrinsic motivation as the outcome of the empowerment construct, thus differentiating the two studies. Most importantly, Wan Mohd Amin et al. (2006) investigated structural empowerment, marking an obvious difference of scope with the current study, which is concerned with psychological empowerment.

A quick review of the context of the empowerment studies in Malaysia listed in Table 3.1 reveals that they have tended to favour service organisations such as higher education institutions, hotels, telecommunication companies and hospitals, while research appears to be limited in other service organisational settings in which empowerment represents an important mechanism for excellent customer service (Chebat & Kollias, 2000; Klidas, 2002), such as banking. Another striking limitation of the existing studies from the contextual viewpoint is that little comparison has been made between organisations, although some studies (e.g. Raquib et al., 2010) have involved more than one type of organisation. This limitation is addressed to some degree by the current study, as it investigates empowerment in banking organisations, specifically comparing a private and a government-owned bank in Malaysia. There is detailed discussion of these two banks in chapter four, on research methodology.
Having reviewed the constructs and the context of the studies listed in Table 3.1, let us now attempt to differentiate them from the current one by considering other issues such as methods used and demographics. Table 3.1 shows that most of the studies utilised a single method, which in the majority of cases was a quantitative questionnaire. A mixed approach, combining quantitative and qualitative methods, seems to have been ignored within the Malaysian setting. As noted previously, the country is culturally enriched by the multiple ethnicities of Malay, Chinese, Indian and others (indigenous), so that investigation of the influence of ethnicity on empowerment is too important to be ignored. It is true that Abd Patah et al. (2009) made an attempt to examine differences in empowerment across demographics; however, this was limited to three factors: gender, age and tenure of employment. Investigation into empowerment across ethnicity has yet to be explored and should not be ignored in a multicultural country like Malaysia. The fact that demographic factors are among the most influential on empowerment (Dimitriades & Kufidu, 2004; Hancer & George, 2003; Holden, 1999; Pitts, 2005; Robert et al., 2000; Spreitzer, 2008; Tuuli & Rowlinson, 2009) and that the existing literature reports conflicting findings for certain of them (such as gender and ethnicity) in relation to empowerment signifies the importance of further research into the link between demographics and empowerment (see section 2.9). To bridge these gaps, empowerment differences across age, gender, ethnicity, organisational tenure and job position are addressed within the scope of the current study.

The following sections continue the discussion of the context of the current study. While the present section has reviewed empowerment from the perspective of research context (i.e. its setting in Malaysia), the next two will complete the contextual review from the perspective of the organisational setting. Section 3.4 presents the rationale for selecting banking as the organisational setting of the study and section 3.5 discusses empowerment within the banking industry, drawing on the academic literature.

3.4 The selection of banking as the organisational setting

Banking was selected as the organisational setting of the study for three main reasons. First, it may be considered the most important industry from the perspective of the economy. It is at the core of the financial system of a nation, so banking institutions play a catalytic role in generating economic growth (Aziz, 2008). Banking not only contributes to the overall functioning and growth of the economy but also promotes the creation of new industries
as well as generating spillover effects on other sectors of the economy (Aziz, 2001). It has been argued that a strong banking sector facilitates the wellbeing of the economy whilst a weak one will not only jeopardise its long-term sustainability but may also trigger financial crises, which in turn can lead to disastrous economic crises (Vaithilingam, Nair & Samudram, 2006). Furthermore, the importance of banks to economic growth was highlighted long ago by economists such as Goldsmith (in the 1960s) and McKinnon and Shaw (in the 1970s) (Shanmugam, 1998), who provided evidence of the role of banking in promoting long-term economic growth (Rousseau & Wachtel, 2000). A comprehensive account of the importance of banking in the United Kingdom (UK) context is offered by the British Bankers’ Association (2009):

Banking is an integral part of the modern global economy. It is fundamental to economic growth, employment and wealth creation. It facilitates the efficient functioning of international trade, commerce between countries and economic wellbeing. Banks help allocate capital efficiently across an economy and, through innovation, assist investment and increase general prosperity. By supplying credit where it is best used, banks help to fuel a growing and more efficient economy, contributing positively to job and wealth creation and to social expenditure on public projects. Banking includes not only retail services, but the treasury and investment functions that are necessary to meet the demands of companies in the UK. These also provide the mechanics for delivering fixed rate mortgages and other everyday financial products for the citizens of the UK (p. 3).

Chowdhury and Ahmed (2009), on the other hand, offer a rather simple set of reasons why banking is an essential part of the economic system: it promotes saving and investment and facilitates foreign trade. In Malaysia, the banking system is considered the largest component of the total assets of the Malaysian financial system, accounting for about 70 per cent (Yee & Tan, 2009). The importance of banking in Malaysia is further supported by the Bank Negara Malaysia Annual Report (2007), which identifies it as the key driver, having the strongest performance in the country’s services sector and making the most important contribution to gross domestic product.

The significant influence that empowerment has on banking establishes the second reason for selecting it as the organisational context of the study. Empowerment is presented as an
important approach to attain service quality and customer satisfaction in service-oriented entities such as banks (Lashley, 1995; 1996; Melhem, 2004; Snipes, Oswald, LaTour & Armenakis, 2005). It is suggested that empowerment offers service-oriented businesses an effective way to manage their unique relationships with customers (Bowen & Lawler, 1992). Empowerment provides frontline employees with a sufficient degree of responsiveness and flexibility to satisfy the changing needs of customers and most importantly it helps to deliver service excellence (He et al., 2010; Kim & Kleiner, 1996; Melhem, 2004; Snipes et al., 2005). Meanwhile, Holden (1999) views banking as a highly competitive industry. Competitive pressures and global developments are likely to continue to shape the transformation of the banking sector in the future (Aziz, 2007). It has been suggested that businesses which operate in unpredictable environments such as banking often benefit from empowerment (Bowen & Lawler, 1992; Kim & Kleiner, 1996). Moreover, empowerment creates committed employees who are able to use adaption and creativity to confront environmental changes (Ratmawati, 2007). The importance of empowerment for banking is also acknowledged by practitioners. Aziz (2002), as Governor of the Central Bank of Malaysia, for example, identifies successful banking institutions as those which inculcate an empowerment culture. Patterson (1996), as Chairman and Chief Executive Officer of the Palmetto Bank in the United States, considers empowerment to be a cornerstone of survival for banks and regards empowerment as the key to future success. Similarly, Tschohl (1998), founder and President of Minneapolis-based Service Quality in the United States, emphasises the need to empower front-line employees in banks for them to respond to the needs and problems of customers with speed and courtesy.

Finally, banking is often described as an under-researched context when it comes to empowerment studies (Ratmawati, 2007; Samad, 2007; Spreitzer, 1995). To date, studies have tended to investigate empowerment in specific service-type organisations such as call centres (Bartram & Casimir, 2007; Carless, 2004; Holdsworth, 2007; Holdsworth & Cartwright, 2003), hotels (Chiang & Jang, 2008; Klidas, 2002; Klidas et al., 2007; Salazar & Salazar, 2006), hospitals (Avolio et al., 2004; Ahmad & Oranye, 2010; Knol & Linge, 2008; Loughman et al., 2009) and restaurants (Hancer & George, 2003; Lashley, 1999). Rather than looking at specific service-type organisations, some have investigated empowerment in a group of such organisations, such as in hospitality in general (e.g. Sparrowe, 1994). While a number of empowerment studies into service-type organisations do appear in the
academic literature, there has been very little investigation of the banking context (Ratmawati, 2007). To rationalise further the selection of banking as the organisational context for the current study, a review of empowerment in banking is presented next.

### 3.5 Empowerment in banking

This section aims to provide a review of existing studies of empowerment in the banking context. It will first offer a brief overview of the empowerment research set in other service-type organisations in order to strengthen the argument for selecting banking as the context of the present study in preference to other service-type organisations.

Empowerment is argued to be an approach which has been advocated for service sector management (Lashley, 1999). Bowen and Lawler (1992) highlight the need for empowerment when the nature of the business involves managing relationships with customers. Within the scope of business strategy, some academics propose that organisations whose business strategy involves high degrees of customisation and personalisation of services should empower their employees (Bowen & Lawler, 1992; Rafiq & Ahmed, 1998). It is therefore not surprising to note a strong tendency for empowerment research to be conducted within service industries, which is observed to arise from two main interrelated factors: the crucial role of front-line employees and the importance of service quality. The heavy volume of customer interaction in service operations makes the sector a rather complicated one. Highly demanding customers with variability of expectations make the tasks of front-line employee difficult, yet service organisations depend heavily on them to deliver services. Melhem (2004) points out the crucial role played by front-line employees in the service delivery process and in service encounter relationships, due to the high degree of employee-customer involvement and interaction in the production of services. Realising the crucial role of these front-line employees, many service organisations develop strategies for empowerment to provide them with sufficient responsiveness and flexibility to satisfy the different needs of customers (Lashley, 1996; Melhem, 2004). In other words, empowerment removes constraints imposed on front-line employees and gives them room to manoeuvre as they attempt to serve customers’ needs (Chebat & Kollias, 2000). Specifically, the discretion and latitude offered by empowerment help front-line employees to deliver service quality and create greater customer satisfaction (He et al., 2010; Snipes et al., 2005; Ueno, 2008). Besides, the sense of control resulting
from empowerment makes such employees more willing to take responsibility for service encounters, which is integral to quality improvement (Snipes et al., 2005). Most importantly, service quality creates a source of differentiation and competitive advantage which is fundamental to the survival of service organisations (Corsun & Enz, 1999; Lashley, 1995; Wirtz, Heracleous & Pangarkar, 2008).

Within the service domain, hospitality operations are found to be the most heavily researched by academics in relation to empowerment (e.g. Chiang & Jang, 2008; Hancer & George, 2003; He et al., 2010; Lashley, 1996; Sparrowe, 1994). Two types of hospitality operation are seen to have gained considerable popularity for such investigations: hotels (Chiang & Jang, 2008; Klidas, 2002; Klidas et al., 2007; Salazar & Salazar, 2006) and restaurants (Gazzoli, Hancer & Park, 2010; Hancer & George, 2003; Lashley, 1996). Apart from hospitality operations, other types of service organisation in which empowerment has been studied are call centres (Bartram & Casimir, 2007; Carless, 2004; Holdsworth, 2007; Holdsworth & Cartwright, 2003), hospitals (Ahmad & Oranye, 2010; Avolio et al., 2004; Knol & Linge, 2008; Loughman et al., 2009), information technology companies (Bordin et al., 2007; Kuo et al., 2010; Samad, 2007), insurance companies (Yun Lin, 2002), education establishments (Abd. Ghani & Raja Hussin, 2008; Dee et al., 2003) and healthcare homes (Chan et al., 2008). Having noted the range of empowerment research in various service organisations, it should be added that investigations set in some other types of service organisation, such as banks, are limited. Nonetheless, banking is seen as a highly service-oriented sector with considerable customer contacts (Chebat & Kollias, 2000; Sarkar, 2009). Given the strength of competition in the sector, service quality has become the main focus in banking to guarantee survival (Ratmawati, 2007). It is suggested that banks should pay more attention to empowerment in order to achieve their goals of high performance and service quality (Ratmawati, 2007; Sarkar, 2009). Given the essential role of empowerment in banking and the paucity of research efforts to date, further research into empowerment in banking organisations should be attempted. Moreover, Fulford and Enz (1995) argue that different subject groups in the service industry should be studied in order to learn more about the concept and practice of empowerment.

As the current study takes banking as its organisational setting, it is considered necessary to review the existing empowerment studies set in this industry. This review will help to support the choice of banking as the organisational setting of the study and will illustrate
the limited nature of attempts to date to study empowerment within the domain of banking. It is important to note that the studies reviewed in this section are those which have investigated banking as their exclusive organisational context.

A search of the literature reveals a number of general empowerment studies in the banking sector. From the perspective of psychological empowerment, however, very few studies were found; instead, a preference for studies into structural empowerment is noted. To reiterate, psychological empowerment refers to the individual experience of empowerment (see section 2.4), while structural empowerment concerns the delegation of authority and resource sharing (see section 2.3). To ensure clarity in the following discussion, a description of each study will be given before the review.

The earliest study of empowerment in banking was conducted by Kappelman et al. (1996). It was a structural empowerment study set in a large regional bank in the United States during the information system conversion phase of organisational transformation. The study specifically investigated two relationships: between employee empowerment and employee attitude towards change, and between employee attitude towards change and employee attitude towards the organisation. A questionnaire was used to measure these relationships and from a population of 512 respondents, a total of 146 usable questionnaires were returned, a response rate of 29 per cent. Findings were that employee empowerment during organisational change was significantly and positively associated with employee attitudes toward the change \( (p<0.005) \) and that these were in turn positively related to employee attitudes towards the organisation \( (p<0.003) \). Kappelman et al. (1996) suggest that giving employees an empowering opportunity can have a profound effect on important work-related attitudes. The study seems outdated, having been conducted 15 years ago, since when great changes may have happened in the banking sector. Aziz (2007) argues that competitive pressures and global developments are likely to continue to shape the transformation of the banking sector in the future. Nevertheless, the study is believed to provide some indication of the benefits of empowerment within the context of banking.

A rather more comprehensive study is reported by Holden (1999). This was a structural empowerment study similar to that of Kappelman et al. (1996), conducted within banks in Sweden and Britain. It was explorative in nature and aimed to compare the degree of structural empowerment between the two banks. While Kappelman et al. (1996) used a
single data collection method (a questionnaire), Holden (1999) employed a triangulation methodology of quantitative and qualitative approaches comprising questionnaires (self-developed), in-depth interviews, inspection of each organisation’s documentation and a site visit to each bank. The study had interesting findings, the first being that Swedish bank employees felt that they had a greater degree of workplace empowerment than their British counterparts. Holden (1999) found that the difference was influenced by factors such as labour law, social values, technological change and economic conditions, which varied from one country to the other. The findings reported by Holden (1999) show that cultural difference is a factor that may affect the form of empowerment taking place in a country. This further confirms culture as a factor influencing empowerment, as discussed in section 2.8. Additionally, Holden’s study provides support for the current study of empowerment in Malaysia.

Although, in common with the studies of Kappelman et al. (1996) and Holden (1999), that of Melhem (2004) examined structural empowerment, it provides a slightly different view from the other two. Unlike Kappelman et al. (1996), who examined empowerment as the antecedent to the positive attitude of employees, Melhem (2004) explored factors that could influence empowerment or to be more precise the antecedents to empowerment. The study, which was cross-sectional in nature, was conducted in 14 retail banks in Jordan and examined trust, incentives, communication and knowledge as antecedents of empowerment. Melhem (2004) claims that these four antecedents can be assumed to form the basic infrastructure for effective empowerment among customer-contact employees. It was reported that 517 usable questionnaires were used in the analysis of the study. Results showed that trust ($\beta=0.185, p<0.001$) and knowledge ($\beta=0.262, p<0.001$) were positively and strongly associated with empowerment. Communication is also reported to have had a significant influence on empowerment ($\beta=0.138, p<0.02$). Contrary to expectation, incentives were found not to be significantly related to empowerment. Melhem (2004) points out that the insignificant effect of incentives is likely to be associated with cultural issues and with the lack of clear and planned incentive programmes in the Jordanian banking sector in support of empowerment. Another cultural issue is raised here, supporting the possibility that culture may have a great impact on empowerment and once again substantiating the claim that culture is a factor influencing empowerment (see section 2.8).
Meanwhile, a study by Wat and Shaffer (2005) appears to be among the earliest attempts to investigate psychological empowerment within the context of banking. It aimed to provide support for a more comprehensive conceptualisation of organisational citizenship behaviours (OCBs) as a social exchange process. Questionnaire data was collected from 183 Hong Kong investment banking personnel and supervisors. The hypothesis that the dimensions of psychological empowerment would influence OCBs was partially supported.

Mixed findings were reported concerning the interaction between the dimensions of psychological empowerment (i.e. meaning, competence, self-determination and impact) and OCBs (i.e. courtesy, conscientiousness, sportsmanship and altruism). It was revealed that meaning was a significant predictor of courtesy ($r=0.28, p>0.001$), that competence was a strong predictor of conscientiousness ($r=0.17, p<0.05$) and sportsmanship ($r=0.24, p<0.001$), that self-determination influenced altruism ($r=0.15, p<0.05$) and that impact affected conscientiousness ($r=0.28, p<0.001$). Although these findings are mixed, Wat and Shaffer’s (2005) study signifies to a certain degree the practicality of psychological empowerment within the context of banking.

The most recent empowerment study with banking as its context was identified as that of Ergeneli et al. (2007). Like Wat and Shaffer (2005), the authors investigated psychological empowerment, which is the main concern of the current study. Their study was conducted in Turkish banks and secured a good return rate of 63 per cent (i.e. 94 of 148 questionnaires). It investigated the relationship between individuals’ perceptions of overall psychological empowerment (meaning, impact, self-determination and competence) and their cognition- and affect-based trust in their immediate managers. Findings were rather mixed, like those of Wat and Shaffer (2005). Generally, a significant relationship was found between cognition-based trust and overall psychological empowerment. Cognition-based trust was reported to be related to meaning ($\beta=0.227, p<0.05$) and competence ($\beta=.288, p<0.01$), whilst affect-based trust was related only to impact ($\beta=.198, p<0.05$). No significant relationship was found between any trust variables (either cognition- or affect-based) and self-determination. Ergeneli et al. (2007) suggest that the non-significance of any such relationship may be related to internal factors like personality characteristics, rather than the external factor of trust in managers.

In general, each of the studies presented above differs distinctly from the others in that each examines a different construct or set of constructs. Despite investigating different
approaches to empowerment (i.e. structural and psychological), a majority of the studies provide indications of the applicability of empowerment within the context of banking. Having said that, there are several important issues indicated by these studies. First, there is a tendency to study structural empowerment within the context of banking, while psychological empowerment appears to be relatively little studied. This must not be ignored, as employees who perceive higher (i.e. psychological) empowerment will accept additional responsibilities and be committed to service encounters or even service recovery (Ergeneli et al., 2007). In similar vein, Lashley (1999) points out the importance of empowered employees’ perceptions (i.e. psychological empowerment) rather than the form of empowerment (i.e. structural empowerment) for service organisations, because employees who feel (psychologically) empowered will take more personal pride in ensuring that service encounters are a success than will those who do not feel such empowerment.

Second, there appears to be limited empirical evidence of the benefits of empowerment within the banking context. Kappelman et al. (1996) confirm the positive outcomes of empowerment in banking (i.e. employee attitude towards change and organisation); however, the evidence is not adequate to generalise these findings to the other positive outcomes of empowerment or to the banking context as a whole. In order to establish the stronger claim for the positive effect of empowerment in banking, further research seems to be needed. The current study attempts to address these two issues by a systematic investigation of the relationship between psychological empowerment and intrinsic motivation, i.e. outcomes of empowerment (see section 2.10). Furthermore, it investigates a different construct (i.e. transformational versus empowering leadership) in relation to empowerment, which also appears to be lacking within the existing empirical research into banking (see section 2.7).

Third, it seems that banking is not a favoured organisational context for empirical empowerment research, as the most recent such study identified here was conducted in 2007 and is thus rather outdated. The previous findings may be considered as obsolete and in the years since 2007 it has been dramatic changes in banking sector which may have some impact on its structure and services. Given such changes, the influence of empowerment within banking may be expected to be different now from what it was then. It is thus the concern of the present study to bridge this topicality gap in the existing empirical empowerment research in the banking sector.
Fourth, it is noteworthy that published studies have tended to take a single-method approach. A notable exception is that of Holden (1999), who employed the multiple methods of questionnaire, interview, inspection of organisational documents and site visits. A mixed-method approach is believed to generate better quality findings and to minimise the weaknesses of each individual method (Punch, 1998). In the study of psychological empowerment, which is considered to be rather subjective, a mixed approach should be used to strengthen the reliability of the findings. To address these concerns, the present study has a mixed-methods design, utilising a questionnaire and semi-structured interviews. Further discussion of the methods used in the current study will be provided in chapter four.

Finally, there is a scarcity of research into empowerment within the context of banking that is comparative in nature, again with the exception of Holden (1999), who investigated empowerment across two banks in Sweden and Britain. Others are observed to have investigated specific types of banking organisation such as retail (e.g. Melhem, 2004) and investment (e.g. Wat & Shaffer, 2005) banks. Holden (1999) does provide a comparative investigation of empowerment, but the comparison was made across two different countries. Comparative studies of different ownership structures (private vs. public banks) are found to be relatively scarce. Responding to this gap, the present study offers a comparative investigation of empowerment across private and government-owned banks.

The paucity of empirical empowerment research in the banking sector means that future research in this area is likely to be rather explorative in nature. Section 3.3 highlights the very limited attempts to study empowerment within the banking sector in Malaysia and further indicates the explorative nature of such research. A review of existing studies reveals their tendency to investigate empowerment from the viewpoints of either its antecedents or its consequences. This signifies the limited criteria of the existing studies. Relatively comprehensive research which explores the whole process of empowerment in the bank under study, rather than emphasising the antecedents to or consequences of empowerment, has yet to be attempted. Holden (1999) partly investigated the empowerment process by exploring the communicational form of empowerment, but the whole process of empowerment in the banks under study has yet to be covered. The current study offers a somewhat more comprehensive addition to the academic literature, in that it investigates two constructs: leadership behaviour (a mediator of empowerment)
and intrinsic motivation (an outcome of empowerment). It also aims to investigate the empowerment process within banks in Malaysia. It has been pointed out that the empowerment process within an organisation is sensitive to the meanings which its managers attach to empowerment (Lashley, 1996; 1999). Managers are said to shape the empowerment process according to their own understanding, which will ultimately affect the feelings and experiences of employees regarding empowerment (Honold, 1997; Klidas et al., 2007; Moye & Henkin, 2006). Quinn and Spreitzer (1996) assert that although ‘managers assumed that empowerment [was] the right thing to do, [...] they were in deep conflict, not only over the meaning of empowerment, but also over how it should be implemented in their organisations’ (p. 6). An investigation of managers’ understanding of empowerment along with that of the empowerment process itself therefore forms part of the aim of the current study.

This section completes the contextual review of the current study. Following both the research setting and the organisational context, the discussion now turns in the final section of this chapter to the objectives, hypotheses and conceptual framework of the current study. It also outlines the main areas of investigation absent from current academic literature, which have been used to inform the development of the research objectives, formulation of hypotheses and development of the conceptual framework of the study.
3.6 Research objectives, hypotheses and conceptual framework of the study

Before the research objectives and their associated hypotheses and conceptual framework are presented, this section will first consider the gaps in existing empirical research into empowerment. Most importantly, these gaps influenced the design of the current study and guided the analysis of its findings. From the review of literature conducted in chapter two and this chapter, a number of gaps in the existing empirical research into empowerment were identified, which in parallel inform the development of research objectives, formulation of hypotheses and eventually the conceptual framework specific to the study. It is important to note that discussion of these gaps relates to the literature reviewed in both of these chapters. The gaps identified were generally of two main kinds: the limited range of criteria examined, i.e. organisational settings and demographic characteristics, and the lack of integration of other constructs. Table 3.2 provides a summary of the gaps specific to the present study which fall into these categories.
Table 3.2: Summary of gaps in empirical empowerment research specific to this study
(based on literature reviewed in chapters 2 and 3)

<table>
<thead>
<tr>
<th>Gaps</th>
<th>Justification</th>
<th>Selected references</th>
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<tbody>
<tr>
<td>Limited range of criteria examined</td>
<td></td>
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<tr>
<td>Importance of psychological empowerment from research point of view</td>
<td>To understand the empowerment process, it is more efficacious to study it from the perspective of an individual employee, as the expected benefits of empowerment will be realised only if employees actually experience it, i.e. they are in the psychological state of empowerment.</td>
<td>Matthews et al. (2003); Menon (2001); Spreitzer (1995; 1996); Thomas &amp; Velthouse (1990)</td>
</tr>
<tr>
<td>More studies into banking emphasising structural empowerment</td>
<td>Empirical studies into banking tend to favour structural empowerment, so empirical evidence of psychological empowerment is lacking.</td>
<td>Ergeneli et al. (2007); Holden (1999); Kappelman et al. (1996); Melhem (2004); Wat &amp; Shaffer (2005)</td>
</tr>
<tr>
<td>Mixed findings on demographic characteristics of age, gender, ethnicity, organisational tenure, job position in relation to empowerment</td>
<td>Existing investigation of demographic characteristics in relation to empowerment vary. Some even differ for the same characteristic. For example, some studies find gender to be insignificantly related to empowerment (Tuuli &amp; Rowlinson, 2009), whilst others report a significant relationship (Hancer &amp; George, 2003). The conflicting findings indicate the need for further investigation.</td>
<td>Dimitriades &amp; Kufidu (2004); Hancer &amp; George (2003); Miller et al. (2001); Özarrowllı (2003); Pitts (2005); Tuuli &amp; Rowlinson (2009); Spreitzer (1996)</td>
</tr>
<tr>
<td>More studies focusing on hospitality operations within services sector</td>
<td>Much empirical evidence of empowerment concerns service industries with hospitality operations (i.e. hotels and restaurants) being the common. Studies of other types of service organisation such as banks appear to be limited.</td>
<td>Chiang &amp; Jang (2008); Chebat &amp; Kollias (2000); Fulford &amp; Enz (1995); Hancer &amp; George (2003); Ratmawati (2007); Sarkar (2009); Sparrowe (1994)</td>
</tr>
<tr>
<td>The need for empirical research on empowerment in Malaysia</td>
<td>Existing empowerment research reports cross-cultural differences across countries. This provides supports for further research into other countries with different cultural backgrounds. Further, many studies have been done in Asia, but relatively few in South East Asia.</td>
<td>Bordin et al. (2007); Hechanova et al. (2006); Holden (1999), Klidas (2002); Raqub et al. (2010)</td>
</tr>
<tr>
<td>Absence of comprehensive research into empowerment, i.e. explorative in nature, within the context of banking</td>
<td>Empowerment studies of banking tend to be limited in criteria, examining antecedents or consequences but ignoring the wider investigation of empowerment. In-depth studies of the meaning of empowerment attributed to it by managers during the empowerment process within a specific bank are lacking.</td>
<td>Honold (1997); Klidas et al. (2007); Lashley (1996; 1999), Moye &amp; Henkin (2006); Quinn &amp; Spreitzer (1996)</td>
</tr>
<tr>
<td>Gaps</td>
<td>Justification</td>
<td>Selected references</td>
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<td>Lack of integration of other constructs</td>
<td>More work emphasising leadership behaviour as antecedent to empowerment</td>
<td>Existing research typically examines leadership behaviour as antecedent to empowerment, but rarely investigates the alternative relationship i.e. empowerment as the antecedent to leadership behaviour or leadership behaviour as the mediator of the relationship between empowerment and its outcomes in particular.</td>
</tr>
<tr>
<td></td>
<td>Paucity of empirical research on empowering leadership in relation to empowerment</td>
<td>Transformational and empowering leadership are argued to be behaviours most relevant to the empowerment environment. Whilst transformational leadership receives considerable attention in empowerment research, empowering leadership seems to be ignored.</td>
</tr>
<tr>
<td></td>
<td>Lack of empirical evidence into intrinsic motivation as the outcome to empowerment</td>
<td>Despite the many claims of intrinsic motivation as an important outcome of empowerment, relatively few studies provide empirical evidence of this link and reported findings are varied, thus substantiating the need for further research.</td>
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</table>
Prior to the discussion of the research objectives and hypotheses specific to the study, it is worth reiterating that the development of the two was based on the literature reviewed in chapter two and this chapter. It should also be noted that the formulation of hypotheses was made with respect to those relevant research objectives, and specifically to the ones that are quantitative in nature. Each of the research objectives is discussed below.

The study offers an empowerment investigation across two different ownership types, i.e. private and government-owned banks, in response to the scarcity of comparative investigations into empowerment in banking (Ergeneli et al., 2007; Holden, 1999; Kappelman et al., 1996; Melhem, 2004; Wat & Shaffer, 2005). Many advocate that to understand empowerment, it is more efficacious to study it from the perspective of an individual employee, as the expected benefits of empowerment will be realised only if employees actually experience it, i.e. they are in a psychological state of empowerment (Matthews et al., 2003; Menon, 2001; Spreitzer, 1995; Thomas & Velthouse, 1990). In keeping with these considerations, the first objective of the current study is as follows:

**Objective one:** To determine the differences in employee empowerment between private and government-owned banks

Chiles and Zorn (1995) suggest organisational structure as an environmental variable that influences employees’ feelings of empowerment. Specifically, many claim that a flatter and more horizontal organisation will enrich empowerment whilst a traditional top-down structure, in contrast, will restrain it (Dainty et al., 2002; Geroy et al., 1998; Govindarajulu & Daily, 2004; Yukl, 2002). Previous research provides support for the association between organisational structure and empowerment. Spreitzer (1996), for example, demonstrates a positive association between organisational structure with a wide span of control (i.e. decentralised control) and a feeling of empowerment. In an exploratory survey, Powell (2002) further reinforces the views that flatter structures may well promote empowerment. Smith and Moul (1998,) on the other hand, in a qualitative study found traditional bureaucratic structure as one the common factors that inhibits empowerment in an organisation. The traditional bureaucratic structure is slow to respond to changes in the external environment and ineffective at developing staff and organisational growth (Powell, 2002), without which empowerment could not be nurtured. Based on these arguments and that the two participating banks, i.e. one private and one government-owned, have
different ownership structures, the study anticipates a difference in empowerment between the two. Consequently, the following hypothesis is formulated:

**H1:** There is a difference in employee empowerment between private and government-owned bank.

Next, employees’ personal characteristics are believed to contribute to the extent to which they feel empowered. To be specific, their demographic profiles are likely to influence the level of empowerment that they perceive. The demographic variables of age, gender, ethnicity, organisational tenure and position are frequently claimed to influence empowerment (Dimitriades & Kufidu, 2004; Hancer & George, 2003; Miller et al., 2001; Özaralli, 2003; Pitts, 2005; Tuuli & Rowlinson, 2009; Spreitzer, 1996). However, empirical findings on relationships between these demographic factors and empowerment are varied. Further, it has been pointed out that Western management concepts such as empowerment go some way towards explaining behaviour in the Malaysian workplace but miss the richness of the relationships among ethnic groups (Asma, 1992; 2001 cited by Fontaine & Richardson, 2003). This indicates the inadequacy of empirical evidence when investigating empowerment across the ethnic groups in Malaysia. Given the varied findings pertaining to demographic profiles in relation to empowerment, particularly the lack of investigations into empowerment among ethnic groups in Malaysia, this study attempts to fill these gaps through the following second objective.

**Objective two:** To determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position

The review of literature in chapter two (section 2.9) revealed that older employees commonly experience a greater feeling of empowerment than their younger colleagues. Özaralli (2003) reported that empowerment and age are significantly and positively related ($r=0.22, p<0.01$). Bartram and Casimir (2007) also demonstrate the same, but relatively higher correlation ($r=0.25, p<0.01$) was indicated. In a more detailed study of the relationship between age and empowerment, Hancer and George (2003) found significant differences between the subgroups of older and younger employees for each of the four facets of empowerment ($p<0.01$). The same was found for the general dimension of
empowerment and age in which older employees indicated higher scores than younger ones. Thus, it is proposed that:

**H2a: Older employees will perceive higher empowerment than younger ones.**

Although, conceptually, women are seen to feel less empowered in organisations because of their traditional token status (Kanter, 1977), the empirical evidence established is not consistent. Rather mixed findings were reported for gender and empowerment. Tuuli and Rowlinson (2009) and Dimitriades and Kufidu (2004) demonstrate that gender and empowerment are not significantly related. Özaralli (2003) specifically revealed the insignificant difference between males and females as to their empowering behaviour. In contrast, of those who suggested the non-relationship and insignificant difference of gender and empowerment, Hancer and George (2003) in their study of restaurant chains reported that female employees had a higher score for empowerment than did male employees. The huge involvement of women in today’s society and economy could have evolved from the previous traditional role of women in the workplace. Moreover, gender equality in the workplace has been emphasised for many years (Friedman & Gordezky, 2011; Inglehart, & Norris, 2003). Perhaps these could induce the greater feeling of empowerment among women. This study follows Hancer and George (2003), considering that their research was set in a service-type organisation where interaction with customers is evident, similar to the organisational setting of the current work. The other studies, i.e. by Tuuli and Rowlinson (2009) and Dimitriades and Kufidu (2004), were in construction firms and education instutions, whilst Özaralli (2003) studied various forms of private organisation, dissimilar from those in this study. Therefore, it is anticipated that:

**H2b: Females will perceive higher empowerment than males.**

Like other demographic profiles, ethnicity has received little attention in relation to empowerment. Therefore, not much empirical work into this relationship has been identified which warrants further investigation. Notable is the United States Census Bureau (1992), which found that the members of minority and ethnic groups feel less empowered, often due to the fact that they hold less powerful positions in organisations and that they are over-represented at lower levels. Koberg et al. (1999), however, found that empowerment did not differ significantly between whites (the majority) and non-whites
This study adheres to the United States Census Bureau (1992) as that study was comprehensively completed at the national level, in comparison to Koberg et al.’s (1999) which took place in a private general hospital in a major western metropolitan area in the United States. Accordingly, the study predicts:

**H2c: Members of the majority ethnic group will perceive higher empowerment than members of minorities.**

Organisational tenure is a demographic variable which plays an influential role in management and psychological research (Panagiotis, Leonidas & Eugenia, 2011). Within empowerment research, a plethora of studies has incorporated organisational tenure as part of their investigation (Dimitriades & Kufidu, 2004; Hancer & George, 2003; Huang et al., 2006; Koberg et al., 1999; Panagiotis et al., 2011). It is asserted that the longer their tenure, the better are employees adapted to the work atmosphere and to learning through experience, which create feelings of empowerment (Schneider, 1987). Many studies provide support for this assertion in that a positive and significant relationship between organisational tenure and empowerment is commonly reported, in which employees with longer tenure perceive greater empowerment than those with shorter tenure (e.g. Hancer & George, 2003; Koberg et al., 1999; Özaralli, 2003). The study therefore hypothesises the following:

**H2d: Employees with longer tenure will perceive higher empowerment than those with shorter tenure.**

As for the association between job position and empowerment, it has been claimed that the higher the status of an individual, the more empowered he or she is perceived to be (Denmark, 1993). Consistent findings were observed in studies that examined the relationship between job position and empowerment, whereby a significant positive relationship is reported (e.g. Ergeneli et al., 2007; Koberg et al., 1999). Following these, the study expects:

**H2e: Employees with higher job positions will perceive greater empowerment than those in lower job positions.**
In addition to personal characteristics (including the demographic profiles discussed above), the impact of empowerment is also argued to be influenced by environmental variables (Ergeneli et al., 2007; Yagil, 2006). The environmental variables include trust, job design, access to information and resources, training, support and leadership behaviour (Baird & Wang, 2010; Bowen & Lawler, 1992; Holdsworth, 2007; Klagge, 1998; Smith, 1997; Smith & Mouly, 1998; Spreitzer, 1995; 1996; Yukl, 2002). Among these, leadership behaviour is claimed to be the factor most strongly influencing empowerment (Bartram & Casimir, 2007; Bordin et al., 2007; Chen et al., 2007; Greasley et al., 2005; Klidas et al., 2007; Laschinger et al., 2009; Masi & Cooke, 2000). Despite these claims, there is little evidence in the literature of how leadership behaviour affects empowerment (Meyerson & Kline, 2008). Conger and Kanungo (1988) highlight the need for further investigation of how leadership behaviour relates to empowerment as it is useful in bringing greater understanding of empowerment.

Leadership behaviour is believed to contribute to empowerment to the extent that it is able to affect an individual’s perception of meaning, impact, self-determination and competence, i.e. the four facets of psychological empowerment (Dewettinck & Ameijde, 2011; Spreitzer, 1996). Greasley et al. (2005), in their qualitative study, discovered that leaders were able to influence whether or not employees were offered the opportunity to become empowered and also the form that empowerment might take. Klagge (1998) revealed the same, where through focus group activities many participants emphasised the crucial role of leadership behaviour for empowerment success. Considering these arguments, leadership behaviour rather than the other influencing factors on empowerment will be the focus of this study.

As discussed in a previous chapter (section 2.7), it was observed from the literature that the association between empowerment and leadership behaviour tends to be confined to certain types of leadership behaviour. These are participative, supportive, charismatic, transactional, transformational and empowering leadership behaviour (Avolio et al., 2004; Bartram & Casimir, 2007; Carless, 2004; Chiang & Jang, 2008; Choi, 2006; Conger, 1999; Dewettinck & Ameijde, 2011; Gumusluoglu & Ilsev, 2009; Huang et al., 2006; Masi & Cooke, 2000; Meyerson & Kline, 2008; Spreitzer et al., 1997; Wallace et al., 2011). Of these, this study will concentrate on the last two types, transformational and empowering leadership, for two reasons. First, the other types have been criticised or refuted in their
role of influencing empowerment. According to Randolph (1995), supportive leadership behaviour is not always needed in an empowerment environment. Transactional leadership, through its element of contingent reward, is claimed to have a destructive influence on followers’ creativity and performance that runs counter to the thrust of empowerment (Wei et al., 2010). The optimistic claims made of the relationship between participative leadership and empowerment (Sparrowe, 1994; Spreitzer, 1996), meanwhile, have been refuted empirically (e.g. Huang et al., 2006). Although charismatic leadership promotes a sense of meaningfulness (one facet of empowerment), it is argued that only together can the four facets, i.e. meaning, impact, self-determination and competence, produce the proactive essence of empowerment (Dewettinck & Ameijde, 2011). Moreover, the lack of any one of the four facets will deflate, if not completely eliminate, the overall perception of empowerment (Spreitzer, 1995). In this sense, charismatic leadership is still inappropriate to fit into the empowerment environment.

Second, transformational and empowering leadership are advocated as the leadership behaviours most relevant to the empowerment environment (Clark et al., 2009; Spreitzer et al., 1997; Yukl, 2002). The two are believed to better fit into an environment of empowerment by embracing the thrust of empowerment. Transformational leaders, through their inspirational ability, are able to produce a sense of meaningfulness, competence and impact (i.e. facets of empowerment) among their followers. They also claim to contribute to followers’ sense of self-determination (i.e. a facet of empowerment) through their positive emotional support and also frequently by offering opportunities to experience task mastery (Stander & Rothmann, 2009). Empowering leadership on the other hand, draws on the elements of leadership behaviour most focused on making change in that it facilitates innovative behaviour consistent with the tenets of empowerment (Dewettinck & Ameijde, 2011; Masi & Cooke, 2000; Spreitzer et al., 1997; Vecchio et al., 2010). Additionally, empowering leadership strives to engage followers to be effective self-leaders by encouraging independent decisions that also correspond to empowerment (Conger & Kanungo, 1988; Cox et al., 2003; Manz & Sims, 2001).

Following the arguments that leadership behaviour is the factor most strongly influencing empowerment, the need for further investigation into how leadership behaviour relates to empowerment, and that transformational and empowering leadership are the most relevant
leadership behaviours for the environment of empowerment, the next objective is formulated:

**Objective three:** To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership).

Many academics argue for a link between transformational leadership and empowerment, and empowering leadership and empowerment (Gumusluoglu & Ilsev, 2009; Özaralli, 2003; Sparrowe, 1994; Spreitzer et al., 1999; Stand & Rothmann, 2009). Consistently, many studies have investigated the link between transformational leadership and empowerment and a significant and positive relationship between the two is confirmed (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Özaralli, 2003). Whilst transformational leadership receives considerable attention in empowerment research, empowering leadership on the hand seems to be rare, despite the two being seen as the leadership behaviours most relevant to the empowerment environment (Ahearne et al., 2005; Arnold et al., 2000; Chen et al., 2007; Cox et al., 2003; Dewettinck & Ameijde, 2011; Manz & Sims, 2001; Pearce & Sims, 2002; Spreitzer et al., 1997; Yukl, 2004). The few studies that there are, however, do demonstrate the positive and significant relationship between empowering leadership and empowerment (e.g. Spreitzer et al., 1999; Wallace et al., 2011), indicating the applicability of empowering leadership within the empowered environment. It is important to note that in, most studies, leadership behaviour (i.e transformational leadership and empowering leadership) has be taken to be the antecedent to empowerment, while limited work has been done on the alternative relationship of empowerment as the antecedent to leadership behaviour. As explained in section 2.3, there are situations in which employees still feel and act in empowered ways, despite the lack of objective features of empowerment (which may include leadership behaviour) (Spreitzer, 2008). In support of this, Greasley et al. (2008) argue that empowerment may occur whenever, and only when, employees believe that they are empowered. According to this argument, it would be possible to have empowerment as the antecedent leadership behaviour, i.e. transformational leadership and empowering leadership, and therefore the study expects that:

**H3a:** Empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership).
Because empowerment is a multi-faceted construct (Spreitzer, 1995; Thomas & Velthouse, 1990), it is also essential to investigate the extent of the relationship between each of the four facets of empowerment and leadership behaviour. Consequently, the study advances the following hypotheses:

H3b: The meaning facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership);
H3c: The impact facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership);
H3d: The self-determination facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership); and
H3e: The competence facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership).

Enormous benefits are frequently claimed for empowerment, from the perspective of both organisation and employees. The most cited of the benefits for the organisation are competitiveness, managerial effectiveness, customer service quality and customer satisfaction (He et al., 2010; Kinlaw, 1995; Nielsen & Pedersen, 2003; Sanes, 1996; Spreitzer, 1995; Thomas & Velthouse, 1990; Ueno, 2008; Ugboro & Obeng, 2000). From the employee perspective, it is widely asserted that job satisfaction, organisational commitment, job performance, innovative behaviour and motivation are included among the benefits (Abd Ghani & Raja Hussin, 2006; Bordin et al., 2007; Dewettinck & Ameijde, 2011; Hall, 2008; Hechanova et al., 2006; Liden et al., 2000; Meyerson & Kline, 2008; Siegall & Gardner, 2000; Spreitzer, 1995).

Sparrowe (1994) argues that the outcomes of empowerment are not direct, rather they are mediated by employees’ motivation, suggesting the essential role of motivation in inducing the other empowerment outcomes. In similar vein, Heller (1998) claims that motivation brings job satisfaction and good quality work among the employees. Motivation is also said to increase efficiency, effectiveness and productivity in organisations (Forsyth, 2000). Most important, highly motivated employees supply organisations with new initiatives that are necessary in the competitive business world (Heller, 1998). The crucial role of motivation in inducing the other outcomes of empowerment is empirically supported. Drake et al.
(2007), for example, demonstrates the positive association between motivation and performance, indicating that a higher level of motivation is associated with higher performance, whereas Kappelman and Prybutok (1995) found that motivation explained satisfaction. In the light of these findings, it is unsurprising to note that motivation is commonly advocated as an important outcome of empowerment, above the others (Hancer & George, 2003; Hopkins, 1995; Klagge, 1998; Lee & Koh, 2001; Spreitzer, 1995; 1996).

The concept of empowerment is highlighted as similar to intrinsic motivation, as the two are considered as internal justification that drives people to some sort of action (Beach, 1996; Mallak & Kurstedt, 1996). Activities that lead to perceptions of meaning, impact, self-determination and competence (i.e. the facets of empowerment) are argued to be most conducive to intrinsic motivation (Bloom & Colbert, 2011; Thomas & Velthouse, 1990). As such, many claim a link between the two (Beach, 1996; Bloom & Colbert, 2011; Carless, 2004; Conger and Kanungo, 1988; Mallak & Kurstedt, 1996) and some even suggest that intrinsic motivation is more important to organisations than is extrinsic motivation, where tangible rewards are required (Bloom & Colbert, 2011; Smith, 1991). Intrinsic motivation is seen as distinctive from external motivation in that it promotes work behaviour that is not dependent upon the supervision of others, nor upon rewards (Bloom & Colbert, 2011). Work behaviour that is induced by intrinsic motivation is believed to engage high resilience to obstacles, and the ability to sustain motivation in the face of problems and ambiguity (Thomas & Velthouse, 1990). It also helps to encourage other positive work behaviours such as extra-role performance (Podsakoff et al., 2000), creativity (George, 2007) and proactive behaviour (Grant & Parker, 2009); these positive work behaviours are empirically shown to make significant contributions to organisational performance (e.g. Chuang & Liao, 2010; Podsakoff et al., 2009). Despite the close association of empowerment and intrinsic motivation, and the fact that the latter is distinctive in engaging proactive work behaviours, very few studies have attempted to investigate the link between the two. The findings of these few studies, however, are varied. Whilst Hechanova et al. (2006) and Zhang and Bartol (2010) provide support for the positive relationship between empowerment and intrinsic motivation, Gagné et al., (1997) reported mixed findings between each facet of empowerment and intrinsic motivation. Only meaning and self-determination positively predicted empowerment, while of the two remaining facets, competence had an inverse relationship and impact showed no relation to intrinsic
motivation. The very limited investigation into the link between empowerment and intrinsic motivation, and the fact that the findings are varied, indicate the need for further investigation. To address these gaps, the next objective and its hypothesis have been developed:

**Objective four:** To ascertain the relationship of empowerment to intrinsic motivation;

**H4:** Empowerment is positively related to intrinsic motivation.

As explained previously in the discussion of development objective three above and also in chapter two (see section 2.7), existing research has typically examined leadership behaviour (i.e. transformational leadership and empowering leadership) as the antecedent to empowerment (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Chiang & Jang, 2008; Özaralli, 2003). However, limited work has been done on alternatives such as empowerment as the antecedent to leadership behaviour. Meyerson and Kline (2008) argue that it is important to evaluate how leadership behaviour is related to empowerment in order to bring greater clarity to an understanding of the latter. It is also argued that employees might feel empowered despite the lack of objective features of empowerment (which may include leadership behaviour) (Spreitzer, 2008). It is also claimed that management practices (which may include leadership behaviour) will not necessarily be able to empower employees (Spreitzer, 1995) as empowerment is said to occur whenever and only when employees believe that they are empowered (Greasley et al., 2008). Similarly, Siegall and Gardner (2000) contend that true empowerment will not be seen unless people first perceive themselves as being empowered. Therefore, it is essential to move beyond the existing perspective of leadership behaviour as the antecedent to empowerment and to seek an alternative view, perhaps by examining empowerment as the antecedent to leadership behaviour and specifically leadership behaviour as the mediator of the relationship between empowerment and its outcome (intrinsic motivation). In keeping with these and previous contributions that supported the putative links between empowerment, leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation whereby a positive relationship is confirmed between: empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership) (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Özaralli, 2003), empowerment and intrinsic
motivation (e.g. Hechanova et al., 2006; Zhang & Bartol, 2010) and leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation (e.g. Charbonneau et al., 2001; Piccolo & Colquitt, 2006), the following objective and its hypothesis have been formulated:

**Objective five:** To investigate the extent to which leadership behaviour (i.e. transformational and empowering leadership) affects the relationship between empowerment and intrinsic motivation,

**H5:** Leadership behaviour (i.e. transformational leadership and empowering leadership) mediates the relationship between empowerment and intrinsic motivation.

Previous contributions that emphasised the existing perspective of leadership behaviour (i.e. transformational leadership and empowering leadership) as the antecedent to empowerment commonly investigated empowerment as the mediator of the relationship between leadership behaviours (i.e. transformational leadership and empowering leadership) and an outcome variable. It was reported that the mediator role of empowerment in the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and the outcome variable is confirmed in these contributions (e.g. Avolio et al., 2004; Bartram & Casimir, 2007, Dewettinck & Ameijde, 2011; Ismail et al., 2011). It is important to recognise that the outcome variables investigated in these contributions are organisational commitment, followers’ performance, job satisfaction and affective commitment; this differs from the study that looks into intrinsic motivation and suggests an unexplored area that should not be ignored. As the current study takes place in a different research context (i.e. Malaysia) and organisational setting (i.e. banking institutions) from those above, it is worth also further validating the relationship and also the mediator role of empowerment in the relationship between leadership behaviour and intrinsic motivation within the parameters of this study. Considering these and previous arguments that validated the positive, and putative, association between empowerment, leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation, another objective and its hypothesis has been formed:
Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation,

H6: Empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation.

The above six objectives are quantitative in nature and can thus be illustrated by a conceptual framework. Development of a conceptual framework provides a better articulation of these six research objectives and helps to clarify the findings process discussed later. Figure 3.1 illustrates the integration of research objectives one to five and forms the conceptual framework of the study (i.e. proposed model). Figure 3.2, on the other hand, is specific to objective six, illustrating the competing model and noticeably empowerment as the mediating variable, as opposed to the conceptual framework of the study (i.e. proposed model) in that leadership behaviour is the mediating variable.

Figure 3.1: Conceptual framework of the study (proposed model) - The mediator role of leadership behaviour in the relationship between empowerment and intrinsic motivation
The remaining objectives, i.e. objective seven and objective eight, rest upon the evidence discussed in this chapter and particularly in section 3.5. It is noted that existing empowerment studies in the banking sector tend to be limited in the criteria examined. They are likely to be limited to the investigation of antecedents to or consequences of empowerment, while ignoring wider perspectives. Exploration of the empowerment process within the banks studied appears to be lacking. Moreover, it has been pointed out that the empowerment process within an organisation is sensitive to the meanings which its managers attach to empowerment (Lashley, 1996; 1999). The final two objectives are in line with the suggestion of academics to incorporate the investigation of the process of empowerment with that of the meaning attributed to it by managers (Honold, 1997; Klidas et al., 2007; Moye & Henkin, 2006; Quinn & Spreitzer, 1996).

**Objective seven:** To identify the understanding and definition of empowerment among bank managers

**Objective eight:** To reveal the empowerment process within Malaysian banks

Whereas objectives one to six are quantitative in nature, objectives seven and eight are more exploratory and therefore fit into the qualitative perspective of research. This provides an indication of the design of the current study, informed by a mixture of quantitative and qualitative methods, with emphasis on the former. A full discussion of the study design is presented in the next chapter.
3.7 Summary

This chapter completes the review of literature. Specifically, it explicates the contextual review for the current study from two perspectives: the research context and the organisational context. The chapter began with a discussion of the research context and reasons for selecting Malaysia as the setting of the study. A review of existing empowerment studies in Malaysia was then provided, revealing two similar patterns. First, the studies are likely to position leadership behaviour as the antecedent to empowerment, while other perspectives such as empowerment as the antecedent or leadership as the mediator between empowerment and its outcome seem to be ignored. Second, service organisations appear to provide common organisational settings for empowerment research, but they tend to be higher education institutions, hotels and telecommunication companies, while studies set in other important service organisations such as banking are missing from the current academic literature. Surprisingly, the review also indicates very limited research into empowerment across ethnic groups, despite Malaysia’s status as a multicultural country. The chapter continued with an explanation of the choice of banking as the specific organisational context of the present study, among other service-type organisations. A review of existing empowerment studies in banking revealed several important gaps, including a tendency to emphasise structural rather than psychological empowerment. There is limited empirical evidence to support the positive outcomes of empowerment within banking. It was also discovered that existing empowerment studies into banking tend to be limited in scope, i.e. looking into certain constructs, while there is a lack of wider investigations of empowerment processes in banks, i.e. explorative in nature.

A summary of the relevant gaps is given in Table 3.2. The gaps identified in this and previous chapter are of two main kinds: the limited range of criteria examined and the lack of integration with other constructs. Eight objectives specific to the current study have been developed from the gaps. Six of them, derived from chapter two, are quantitative in nature and illustrated in a conceptual framework (see Figure 3.1 and Figure 3.2). The remaining two objectives, drawn specifically from this chapter, are exploratory in nature and thus take a qualitative perspective.
The forthcoming chapter discusses the methodological issues underlying the current study, including the choice of research paradigm, design, measurement, sampling and data analysis.
4 RESEARCH METHODOLOGY

4.1 Introduction

This chapter discusses the methodology employed to investigate the objectives identified in chapter three and details the approach of the current study in pursuing these research objectives. It begins with an overview of the research paradigm underpinning the study, to provide clarification of the choice of research design. There is then a discussion of the choice of the mixed method approach as the research design. The chapter continues with a description of the banks participating in the study and their backgrounds. Two research methods are then identified and discussed: the primary research method is a quantitative one (questionnaire), while the secondary one is qualitative (semi-structured interview). For each method, an explanation of the design, sample, procedure and analysis is given. The next section examines the ethical considerations, showing how the study seeks to comply with the code of ethics and discussing the underlying principles, prior to the chapter summary.

4.2 Research paradigm

For social researchers, it is important to take a firm position about how they view the world and how they can best understand it. This is where the research paradigm fits in, as it influences the way the researcher views the social world and informs the process of investigation. Guba and Lincoln (1994) describe the research paradigm as the ‘basic belief system or world view that guides the investigation’ (p. 105). In similar vein, Creswell (2009) views the research paradigm as ‘a general orientation about the world and the nature of research that a researcher holds’ (p. 6), whilst Bryman (2004) provides a more detailed definition of the research paradigm as ‘a cluster of beliefs and dictates which, for scientists in a particular discipline, influence what should be studied, how research should be done and how result should be interpreted' (p. 453). Despite the variety among these accounts, one constant feature is the important role of the research paradigm in influencing and guiding the approach to a study.

There are three fundamental assumptions underlying a particular research paradigm: the ontology, specifying the form and nature of reality; the epistemology, identifying basic
beliefs about knowledge, i.e. what can be known; and the methodology, describing how the researcher intends to go about finding out whatever s/he believes can be known (Guba & Lincoln, 1994). Likewise, Denzin and Lincoln (2000) highlight the way in which a gendered, multiculturally situated researcher approaches the world with a set of ideas, a framework (theory, ontology) that specifies a set of questions (epistemology), which are then examined (methodology, analysis) in specific ways.

Two main research paradigms have traditionally dominated the discussion of social research: positivism and interpretivism. The positivist paradigm holds that the social world exists externally and that its properties should be measured through objective methods; it therefore holds true more for quantitative than for qualitative research (Creswell, 2009; Herwaman, 2005). Interpretivism, on the other hand, is typically associated with qualitative research and holds that the world is not objective and exterior but socially constructed and given meaning by people (Husserl, 1965, cited by Kelliher, 2005). In essence, interpretivism is concerned with the uniqueness of a particular situation, contributing to the underlying pursuit of contextual depth (Myers, 1997, cited by Kelliher, 2005).

Issues of research paradigms and design approaches have long been debated in the literature (Armitage, 2007). The so-called qualitative-quantitative debate is also commonly known as the ‘paradigm war’ (Tashakkori & Teddlie, 1998). According to Bryman (2004), the relationships between the paradigm and design approaches are by no means fixed, whilst Kuhn (1970) argues that paradigms are incommensurable, i.e. quantitative and qualitative research are seen to be intrinsically different endeavours, underpinned by different paradigm assumptions (cited by Brannen, 2005). It is noted that these debates arise from a tendency to support one particular method over another.

Considering the research paradigm, this study adheres to pragmatism, an alternative to the existing positivism and interpretivism which was introduced to counter the paradigm wars alluded to above (Tashakkori & Teddlie, 1998). Instead of seeking metaphysical truths, pragmatism considers truth to be ‘what works’, using diverse approaches and valuing both objective and subjective knowledge (Hanson et al., 2005; Tashakkori & Teddlie, 1998). Similarly, Howe (1988) advocates the major tenet of pragmatism: that quantitative and qualitative methods are compatible. Armitage (2007) views pragmatism as a single paradigm response to the debate surrounding the paradigm wars and the emergence of the ‘mixed
method’ and ‘mixed model’ approaches. It is pluralistic and based on a rejection of the forced choice between post-positivism and constructivism (often combined with interpretivism) (Armitage, 2007; Creswell, 2009). Instead of focusing on methods, pragmatic researchers emphasise the research problem and favour the use of all available approaches to understand the problem (Creswell, 2009). Thus, pragmatism is considered a more problem-centred paradigm which allows for the integration of multiple methods and paradigms into one study, to provide the best understanding of the research problem.

Having considered the underlying research paradigm, the discussion now turns to the design of the current study, which is informed by pragmatism.

4.3 Research design: The mixed method approach

The research design selected for the study was determined by the objectives set forth in chapter three. It is a mixed method approach, cross-sectional in nature, where both quantitative and qualitative data were collected, using a questionnaire and semi-structured interviews.

Johnson and Onwuegbuzie (2004) describe the mixed method approach as an attempt to legitimate the use of multiple approaches in answering research questions. Greene, Caracelli and Graham (1989), on the other hand, define mixed method approaches as those that include at least one quantitative method (designed to collect numbers) and one qualitative method (designed to collect words). In similar vein but slightly more concisely, Creswell (2009) describes mixed methods as an approach to inquiry that combines or associates both qualitative and quantitative forms. A rather more comprehensive version is offered by Greene, Kreider and Mayer (2005), who define mixed methods as ‘an approach to social inquiry which involves the planned use of two or more different kinds of data gathering techniques and more rarely different kinds of inquiry designs within the same study’ (p. 274). Notwithstanding the differences among these definitions, most signify the complementary use of quantitative and qualitative data in a study.
The mixed method design originated from the multimethod matrix designed by Campbell and Fiske (1959) for their study of the validation of psychological traits (Creswell, 2009; Muhamad, 2007). Although Campbell and Fiske (1959) focused on collecting multiple quantitative data, their work was instrumental in encouraging the use of multiple methods and the collection of multiple forms of data in a single study (Sieber, 1973, cited by Hanson et al., 2005). Campbell and Fiske (1959) also introduced the idea of triangulation, referring to ‘multiple operationalism’, in which more than one method is used as part of a validation process to ensure that the explained variance is the result of the underlying phenomenon or trait and not of the method (Johnson, Onwuegbuzie & Turner, 2007). The term ‘triangulation’ was later used to suggest that quantitative and qualitative data should be complementary (Hanson et al., 2005).

According to Johnson and Onwuegbuzie (2004), researchers who conduct mixed method research are more likely to select methods and approaches with respect to their underlying research objectives and questions, rather than with regard to some preconceived biases about which research paradigm should have hegemony in social science research. The rationale for mixing quantitative and qualitative data within one study is grounded in the fact that neither quantitative nor qualitative methods are sufficient, by themselves, to capture the trends and details of a situation (Ivankova, Creswell & Stick, 2006). Most importantly, employing both kinds of data will allow for more robust analysis, taking advantage of the strengths of each (Ivankova et al., 2006). Many researchers share this view and argue that the combined approach can yield more useful, rich and valid data to address a research problem (e.g. Creswell, 2009; Lindebaum, 2008; Omar, 2003; Tashakkori & Teddlie, 1998; Woolnough, 2007). Besides, it has been argued that successful research designs often incorporate complementary techniques that lead to a triangulation of concepts, data and/or methods (see Kuah, 2007). Interestingly, Rossman and Wilson (1985) suggest that the combination of methods allows for new modes of thinking, initiated by attending to paradoxes that emerge from the two data sources.

Within the context of this study, the mixed method approach is believed to be the most appropriate research design. Considering that the research objectives call for the use of both quantitative and qualitative data, a mixed method approach undoubtedly provides the best option. It has also been noted that there has been limited empowerment research in the banking context which has taken a mixed method approach (see section 3.5); instead,
there has been a tendency in such research to focus on either quantitative or qualitative methods (e.g. Ergeneli et al., 2007; Kappelman et al., 1996; Melhem, 2004; Wat & Shaffer, 2005). This study aims to redress this gap by offering an investigation which takes a mixed method perspective.

Specifically, a concurrent embedded strategy of mixed methods was used in the study. Apart from the research objectives, which emphasise quantitative data over qualitative data, the issue of restricted access to participating banks was among the factors that influenced the decision to make use of the concurrent embedded strategy rather than any other type of mixed method strategy. Creswell (2009) provides a detailed description of the concurrent embedded strategy as follows:

The concurrent embedded strategy of mixed methods can be identified by its use of one data collection phase, during which both quantitative and qualitative data are collected simultaneously. Unlike the traditional triangulation model, a concurrent embedded approach has a primary method that guides the study and a secondary method that provides a supporting role in the procedures. Given less priority, the secondary method (quantitative or qualitative) is embedded or nested within the predominant method (qualitative or quantitative). This embedding may mean that the secondary method addresses a different question than the primary method or seeks information at a different level of analysis (p. 214).

The study therefore combines quantitative and qualitative methods: a questionnaire and semi-structured interviews respectively. It is essential to note that the collection of qualitative data was embedded as a secondary method within quantitative data collection as the primary method. Thus, the questionnaire represents the main method in the study, with semi-structured interviews as the supporting method. Consistent with the term ‘concurrent’, the two data collection instruments were administered at the same time. Figure 4.1 summarises the research design for the current study.
Identification of research problem through literature review and current issue

Formulation of research objectives and conceptual framework

Instrument design

Questionnaire
1. To determine differences in empowerment between private and government-owned banks
2. To determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position
3. To examine the relationship of empowerment to leadership behaviour (i.e. transformational leadership and empowering leadership)
4. To ascertain the relationship of empowerment to intrinsic motivation
5. To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation
6. To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation

Semi-structured interview
7. To identify the understanding and definition of empowerment among bank managers
8. To reveal the empowerment process within Malaysian banks

Concurrent Embedded Strategy

Choice of research topic and area

Pilot study

Data collection

Data analysis

Results compared

Thesis writing
4.4 Participating banks

Before discussing details of the research methods employed, it is necessary here to consider the background of the banks participating in the study.

The study was planned to ensure the participation of two types of domestic bank in Malaysia, i.e. private and government-owned. There were three reasons for this: to allow comparison, to ensure a breadth of perspective and to address the paucity of empowerment investigation that is comparative in nature, within the research context of Malaysia (see section 3.3) and the organisational context of banking in particular (see section 3.5). First, given their different ownership structures, it was anticipated that there would be differences in the exercise of empowerment in the two banks. As the study is located within the organisational context of banking, the investigation of one type of bank was also thought to provide too narrow a view of empowerment in banking. Investigating two banks of different ownership types would thus provide a wider picture of empowerment within the overall banking sector in Malaysia. More important, comparative investigation of empowerment that looks into different types of ownership structure within banking organisations seems to be lacking in the literature.

Within the parameters of the study, a private bank is defined as a private domestically owned banking institution, while government-owned banks are the banking institutions owned by the Malaysian government under the Ministry of Finance Incorporated (MFI). There are two types of private domestic banking institution in Malaysia: conventional banks and Islamic banks (Malaysian Ministry of International Trade and Industry, 2009), both of which are commercial organisations. The development process of latter and the services offered by them are similar to those of conventional banks, except that their general banking principles are compliant with the precepts of Shariah (i.e. guidance that embodies all aspects of the Islamic faith including beliefs and practice) (Association of Islamic Banking Institutions Malaysia, 2010). This study focuses on conventional rather than Islamic banks, because they constitute the largest and most important type on the basis of range of assets held and liabilities issued (Sheikh Omar Mohamud, 2009). Moreover, the conventional banks dominate the Malaysian banking sector in that they control a majority market share in terms of total assets and total deposits, and that they
offer the widest scope of banking services to the public, including consumer banking, corporate and investment banking, and treasury and insurance services (Sufian, 2006). The latest statistics issued by the Central Bank of Malaysia (Bank Negara Malaysia (BNM)) identify nine domestic conventional banks in Malaysia (2010b).

Meanwhile, the government-owned banks, which are also known as development financial institutions (DFIs), were established specifically to develop and promote Malaysia’s targeted strategic economic sectors, including agriculture, small and medium enterprises (SMEs), infrastructure, maritime and export-oriented sectors, as well as capital-intensive and high technology industries (BNM, 2010a). Unlike the private banks, DFIs are not commercial organisations, given that their main role is to facilitate the development of these strategic sectors. To date, 13 DFIs have been established by the Malaysian government to suit the needs of the targeted strategic sectors (BNM, 2010a). Four of these, apart from this main role, also offer members of the public similar banking services to those of the private banks. For the purpose of this study, only these last four were considered to be part of the investigation, considering their relative similarity to private banks in terms of customer segmentation (i.e. members of the public) and banking services.

A formal email (see appendix 1) to invite participation in the study was sent to nine domestic private banks and four government-owned banks in Malaysia. It was basically an email communication between the researcher and the head of the human resources department in each bank. After discussions lasting several weeks, the researcher was asked to submit a formal request to the heads of the human resources departments for onward submission to management for their decision. This process culminated in two banks agreeing to participate in the study, i.e. one private and one government-owned bank.

Table 4.1 shows the key characteristics of the two participating banks. In order to respect confidentially, only general information is furnished.
Table 4.1: Key characteristics of the two banks participating in the study

<table>
<thead>
<tr>
<th>Bank</th>
<th>Number of years in operation</th>
<th>Staff strength</th>
<th>Branch network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>&gt; 30</td>
<td>&gt; 5,000</td>
<td>&lt; 200</td>
</tr>
<tr>
<td>Government-owned</td>
<td>&gt; 30</td>
<td>&lt; 5,000</td>
<td>&lt; 200</td>
</tr>
</tbody>
</table>

Note: “<” means “less than” and “>” means “more than”

Apparently, the two banks are almost identical in terms of their key characteristics of number of years in operation (more than 30) and branch networks (fewer than 200). The only exception is staff strength, the private bank having more than 5,000 and the government-owned bank fewer than 5,000 members of staff.

The private bank participating in the study is one of the largest private banks in Malaysia in terms of total assets. It has won many awards and claims to be one of the leading private banks in Malaysia. The government-owned bank is also known for its long experience and has won awards for its outstanding performance. In terms of total assets, it is not the largest of the four government-owned banks considered for participation in the study, but is broadly typical of these four. It was one of the earliest to be founded. However, due to the small number of participating banks in each category of private bank and government-owned bank in the sample, i.e. one private bank and one government-owned bank, the findings of the study are somewhat limited in terms of generalisation into their types and also into the wider population of Malaysian banking institutions. Interpretation of the findings therefore needs to be cautious.

4.5 Quantitative method: Questionnaire

This section describes the main research method of the study, the self-administered questionnaire. It gives details pertaining to the design of the questionnaire, measurements, the pilot study, samples, procedures and the techniques used to analyse the quantitative data gathered.

The decision to use a questionnaire as the main research method was carefully made by considering several points. Babbie (1990) points out that the purpose of a questionnaire is to generalise from a sample to a population so that inferences can be made about the behaviour or preferences of that population. Since the present study is intended to make
inferences regarding banking in Malaysia, the questionnaire was believed to be the best option as the main research method. Besides, questionnaires have frequently been used to measure factors crucial to the management and development of human resources, such as behaviour, attitudes, beliefs, characteristics and expectations (Anderson, 2004). Other factors influencing the choice of this method concern economy of design and rapid turnaround in data collection. Questionnaires provide a relatively cheap method of data collection, permitting wide coverage for minimum expenditure of both money and effort (Creswell, 2009; Ghauri & Grønhaug, 2005; May, 2001; Miller & Salkind, 2002). Apart from the restricted access to the sample, the two participating banks requested the researcher to ensure minimum contact with their employees in order to avoid any disruption to their routine activities. The questionnaire was considered to fit these requirements, ensuring minimum contact with the sample and providing an effective way to achieve the greatest coverage possible within a short time. Most importantly, questionnaires ensure a sense of privacy and are regarded as providing a medium for anonymous expression of opinion (Lindebaum, 2008; May, 2001), which could influence the rate of participation in the study.

There are issues pertaining to the use of questionnaires other than high rates of non-response over which the researcher has no control, such as how respondents interpret the questions once the questionnaire has been distributed (Lindebaum, 2008). Some authors have stressed the importance of questionnaire design in addressing these issues, by keeping the questionnaire relatively simple, straightforward and short (Ghauri & Grønhaug, 2005; May, 2001). Therefore, the present questionnaire was designed specifically in such a manner.

Based on the objectives of the study and the in-depth review of the literature (see chapter two), appropriate valid and reliable measures were formulated for inclusion in the questionnaire, which consisted of five sections: (1) biographical details, (2) psychological empowerment items, (3) leadership behaviour items, (4) intrinsic motivation items and (5) comments. The section on leadership behaviour had two subsections, addressing transformational leadership and empowering leadership respectively. The items addressing psychological empowerment, leadership behaviour and intrinsic motivation had responses on continuous scales, whilst biographical details were recorded using categorical scales. Finally, the comment section adopted an open-ended question style, providing space for
respondents to offer feedback and personal opinions on the study. To each questionnaire were attached a participant information sheet (see appendix 2) and consent form (see appendix 3) to comply with the requirements of the university ethical committee. The participant information sheet provided an overview of the study, details of the research process, information on the dissemination of the study, an assurance of confidentiality and the researcher’s contact details. The participants were asked to sign the consent form to indicate that they had given their permission to be included in the study. Further details of the participant information sheet and the consent form are provided at the end of this chapter.

The questionnaire was prepared in two language versions, English and Malay. The former was administered to respondents in the private bank, where English was the official language, whereas in the government-owned bank, the Malay version was used instead, at the request of the bank, because Malay is the bank’s official language and English a secondary language. When the human resource department of the government-owned bank made this request, the researcher consulted a senior lecturer at the language school of a Malaysian public university regarding the translation process. Back-translation was also performed in designing the Malay version of questionnaire; its purpose is to assess whether the original meaning of scale items is preserved after the original measure has been translated into a target language and then retranslated into the source language (Tracey & Greenwood, 1997). More information on the translated version of the questionnaire is given later in the chapter (see section 4.5.2). The use of the English version in the private bank and the Malay version in the government-owned bank will be considered in the discussion in Chapter 7, in light of any impact this could have on the findings.

4.5.1 Measurement

The scales used in the questionnaire measured psychological empowerment, leadership behaviour and intrinsic motivation. Two types of leadership behaviour scale were used, measuring transformational leadership and empowering leadership. In this section, each of the scales will be discussed. Since the issues of validity and reliability have been covered for the psychological empowerment and leadership behaviour scales in chapter two (see section 2.5.2 for psychological empowerment, section 2.7.1 for transformational leadership and section 2.7.2 for empowering leadership), these will be discussed only briefly here,
whereas there will be a more detailed discussion of the background, validity and reliability of the intrinsic motivation scale.

The psychological empowerment section of the questionnaire was adopted from Spreitzer (1995). It consisted of 12 statements and was designed to measure respondents’ perceptions of psychological empowerment in a work context (see appendix 4). The scale was designed with four dimensions of psychological empowerment, i.e. meaning, competence, self-determination and impact, each represented by three items. Responses to these 12 items were scored using a 7-point Likert type scale ranging from 1 (strongly disagree) to 7 (strongly agree). A higher score indicates a greater perception of empowerment by the respondent.

As noted in chapter two (section 2.5.2), Spreitzer’s scale has wide application in many organisational settings (e.g. education, construction, telecommunications and call centres) and cultures (e.g. in the United States, Australia, the United Kingdom, the Netherlands and Hong Kong). Many researchers have demonstrated good reliability for Spreitzer’s scale, with alpha values ranging from 0.72 to as high as 0.98 (e.g. Boudrias et al., 2009; Chiang & Jang, 2008; Dee et al., 2003; Hall, 2008; Holdsworth & Cartwright, 2003; Tuuli & Rowlinson, 2009; Stewart et al., 2010). In addition to its good reliability, Spreitzer’s scale is also proven to have a psychometrically sound factorial structure, where confirmatory factor analysis has shown good fit of indices (e.g. Carless, 2004; Spreitzer, 1995; Stander & Rothmann, 2009; Uner & Turan, 2010). In addition to this strong statistical support, another reason for preferring Spreitzer’s scale over others is that Spreitzer (1995) equates (or restricts) intrinsic motivation to psychological empowerment, which is consistent with the intention of the present study to investigate intrinsic motivation in relation to psychological empowerment.

As for the leadership behaviour measures, two types of measurement were used in the present study, i.e. transformational leadership and empowering leadership. For transformational leadership, the measurement was adopted from an instrument of Bass and Avolio (1992) known as the Multifactor Leadership Questionnaire (MLQ). This has many versions, but for the purposes of the study the shortened form, MLQ-6S (Northouse, 2004), was preferred. This choice is consistent with the suggestion made by Miller and Salkind (2002) that the length of a questionnaire can affect response rate and that it should
therefore be as short as possible. The questionnaire was designed to measure respondents’ perceptions of their leaders’ behaviour. It had 12 statements with four dimensions: idealised influence, inspirational motivation, intellectual stimulation and individualised consideration (see appendix 5). Responses were scored on a 5-point Likert rating scale ranging from 1 (not at all) to 5 (frequently, if not always).

It is important to note that four of the 12 transformational leadership items were rephrased in minor ways to take account of a change of perspective from that of superiors evaluating themselves to employees evaluating their superiors. The remaining eight items, however, were adopted directly from Bass (1985). In light of these minor changes, a reliability check of the scale was conducted. The four rephrased items are shown in Table 4.2.

<table>
<thead>
<tr>
<th>Item no.</th>
<th>Original version</th>
<th>Rephrased version</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>I express with a few simple words what we could do and should do.</td>
<td>Expresses with few simple words what I could do and should do.</td>
</tr>
<tr>
<td>4</td>
<td>I help others develop themselves.</td>
<td>Helps me to develop myself.</td>
</tr>
<tr>
<td>6</td>
<td>I provide appealing images about what we can do.</td>
<td>Provides appealing images about what I can do.</td>
</tr>
<tr>
<td>10</td>
<td>I help others find meaning in their work.</td>
<td>Helps me find meaning in my work.</td>
</tr>
</tbody>
</table>

MLQ is the widely accepted instrument to measure transformational leadership (Gerhardt, 2006; Northouse, 2004; Tejeda et al., 2001). It has strong support in terms of statistical evidence from reliability and validity tests. As far as reliability is concerned, MLQ is reported to have high alpha values for the four dimensions of transformational leadership ranging from 0.83 to 0.93 (e.g. Avey et al., 2008; Elenkov, Judge & Wright, 2005; Krishnan, 2004; Lo et al., 2009; Morrison et al., 1997). Similarly, for validity, studies have shown that CFA revealed a sound factorial validity for MLQ with good fit indices (e.g. Meunjohn & Armstrong, 2008; Rowold & Schlotz, 2009). MLQ has also proven its applicability to different organisational settings, cultures and even demographic profiles (e.g. Barling et al., 1996; Carless, 2004; Erkutlu, 2008; Ismail et al., 2009; Meyerson & Kline, 2008).

The empowering leadership section of the questionnaire was adopted from Spreitzer et al. (1999) and was designed to measure respondents’ perceptions of their leaders’ behaviour in relation to psychological empowerment. In other words, the scale was developed in order
to identify a set of leadership characteristics to which psychological empowerment is related. It consisted of 18 items measuring the four dimensions of inspiration, innovation, upward influence and monitoring (see appendix 6). Six items were designed to address inspiration, while each of the other three dimensions was represented by four items. Responses were scored using a 5-point Likert scale from 1 (never) to 5 (very often).

Unlike MLQ, the use of the empowering leadership scale is rather limited, but it is also to a certain extent supported by statistical evidence. For example, Spreitzer et al. (1999) report good alpha reliabilities, ranging from 0.81 to 0.93. They also conducted structural analysis of the measurement model of empowering leadership and found that empowerment yielded good fit indices, providing support for the applicability of empowering leadership to an empowered environment. Chiang & Jang (2008) borrowed three items from the Spreitzer et al. (1999) scale but renamed them ‘supportive leadership’ and reported an alpha value of 0.88. Despite the lack of empirical evidence providing statistical support, the scale was deemed fit for the current study, since empowering leadership has frequently been proposed to be conceptually attractive for service-type organisations (Bowler & Lawler, 1992; Chebat & Kollias, 2000; Lashley, 1999; Melhem, 2004; Rafiq & Ahmed, 1998; Snipes et al., 2005; Ueno, 2008), as discussed in detail in chapter three (section 3.5). As the present study is set within the service context of banking, the use of the Spreitzer et al. (1999) scale can be argued to suit its parameters.

The intrinsic motivation section of the questionnaire was adopted from the Work Preference Inventory (WPI), which was designed as a direct, explicit assessment of differences in the degree to which individuals perceive themselves to be intrinsically motivated towards what they do (Amabile et al., 1994). The scale had 15 items (see appendix 7) and consisted of two main dimensions: enjoyment, i.e. the tendency to engage in activities because they are interesting or satisfying, and challenges, i.e. the self-rewarding tendency to tackle and master complex tasks (Moneta & Spada, 2009). The responses were scored on a 4-point Likert scale from 1 (never true of me) to 4 (always true of me), where higher scores indicated greater intrinsic motivation.

Amabile et al. (1994) demonstrated adequate overall reliability values for the intrinsic motivation items tested on students (0.79) and adults (0.75). Other studies have also reported reasonable values for total reliability scores, ranging from 0.73 to 0.77 (e.g.
Clugston, Howell & Dorfman, 2000; Conti, 2001; Loo, 2001; Mills & Blankstein, 2000; Moneta & Spada, 2009). In addition to these good indications of reliability, Amabile et al (1994) demonstrate that the fit indices are within the range considered satisfactory, reporting a moderate fit to data: GFI = 0.77 and AGFI = 0.73 for students; GFI = 0.80 and AGFI = 0.77 for adults. Similarly, Loo (2001) found a moderate range of fit indices: $\chi^2 = 230.99$, $df=90$, $p<0.001$, CFI = 0.72, GFI = 0.80, RMSEA = 0.09. Compared with both Amabile et al. (1994) and Loo (2001), Zhang and Bartol (2010) report better fit indices: $\chi^2 = 463.60$, $df = 122$, $p<0.001$, CFI = 0.98, GFI = 0.90, the standardised root mean square residual (SRMR) = 0.06, RMSEA = 0.07. The WPI scale has also been tested in many different countries, such as the Philippines (Hechanova et al., 2006), Canada (Loo, 2001), Lithuania (Jaskyte & Kisieliene, 2006), the United Kingdom (Moneta & Spada, 2009), the United States (Amabile et al., 1994; Conti, 2001) and China (Zhang & Bartol, 2010). The wide application of the WPI in different countries signifies its usefulness as a scale that is culturally valid; therefore, despite its modest results on reliability tests and confirmatory factor analysis, it was deemed reasonably suitable for the context of the present study.

4.5.2 Piloting the questionnaire

A pilot study was conducted prior to the main fieldwork element of the study. This was an important step that had to be taken in order to ensure the understanding of the instruments used (Bryman, 1989; Lewis-beck, Bryman & Liao, 2004b). The use of a translated version of the questionnaire further highlights the importance of a pilot study in this case.

Respondents in the pilot study were Malaysian, some employed in the private sector and others in the state sector. Besides completing the questionnaire, they were also asked to provide comments on several issues such as the format of the questionnaire, time needed to complete it, the clarity of the instructions provided and their understanding of the items. Participants were also invited to give opinions regarding possible improvement of the questionnaire.

Fifteen respondents participated in the pilot study for the English version of the questionnaire. Feedback revealed that most respondents had no problem in understanding the instructions or the items and that they generally took 15 to 25 minutes to complete the
questionnaire. They also reported that they were happy with the format. However, some concern was raised over the demographic items on age and working tenure, some participants suggesting that the section be redesigned with more options. In the pilot study, there were five options for age items and four for items related to tenure. Following the above suggestion, minor changes were made to add more options, increasing the number in both cases to eight. All other items and the format of the questionnaire remained intact for the fieldwork.

Although a very small sample was questioned in the pilot study, the researcher decided to run a reliability check on the four measurements used, yielding good alpha reliability values in all cases: psychological empowerment = 0.88, transformational leadership = 0.88, empowering leadership = 0.88 and intrinsic motivation = 0.81.

The Malay version questionnaire was piloted on six respondents who had not previously participated in the pilot study of the English version questionnaire, in order to ensure that they would provide answers which were genuinely based on their understanding of the Malay language without the influence of the English version. Similar to the results for the English version, most respondents reported encountering no difficulty in answering the questions. They seemed to understand the instructions and the statements in the questionnaire. Furthermore, a cross-check was done between the completed English and Malay versions of the questionnaire. It was found that they were broadly similar in their pattern of answers. In view of this, the Malay version questionnaire was believed to be reasonably fit to act as a valid translated version of the questionnaire for the study. As respondents for the Malay version did not raise any important issues, no major changes were made to that version except to bring the demographic items in line with those in the revised English version.
4.5.3 Participants

The participants who completed the questionnaire were mainly employees based at the head offices of both banks. In the case of the private bank, a fairly flexible approach was demonstrated by the human resources (HR) department. The researcher was granted access to five head office departments: human resources, marketing and sales, risk management, finance, and credit administration. In order to recruit participants, the researcher was advised by the HR department to discuss the arrangements for questionnaire distribution with each of the heads of department. It is important to note that those five heads of department had been informed about the study by the HR department before the researcher contacted them personally to arrange meetings. In separate meetings, each agreed that the researcher could distribute the questionnaire on the condition that there would be minimum disruption to staff routines. In addition, the heads of department requested that their secretaries be the point of contact for the researcher to retrieve the completed questionnaires and that the researcher return two days after distribution to collect the completed questionnaires. The researcher was then given access to the departments for one day in order to distribute the questionnaires. During this day, the researcher was introduced to the heads of sections in each department through the department secretary. The researcher ensured that all members of staff in each department received a copy of the questionnaire. This was achieved either by visiting them personally at their desks, as was the case for the heads of section, who preferred this, or by distributing the questionnaire at gatherings of section staff, a method also preferred by the heads of section. In cases where heads of section preferred the researcher to visit employees personally at their desks, the researcher made sure that each was given a brief explanation of the study background and informed that their confidentiality would be treated with the utmost care. Where a section briefing was conducted, the same information was provided there. The researcher did her best to address any questions regarding the background to the study and concerns pertaining to confidentiality and anonymity raised by employees during the personal visits and briefings. Visiting each section in each department gave all members of staff more or less the same chance of being included, with the exception of those who were not present when the questionnaires were distributed. Therefore, in the case of the private bank, a simple random sampling strategy underlies the participant recruitment process (Bryman, 2008; Ghauri & Gronhaug, 2005).
In the case of the government-owned bank, a rather stricter approach was taken by the HR department. The researcher was not granted personal access to any head office department. Rather, the HR department requested copies of the questionnaire, which it then distributed to staff according to its preference. Although the bank had agreed to participate in the study, the researcher had not been informed previously that it was bank procedure not to allow an external researcher to distribute a questionnaire personally. Instead, an officer was appointed by the HR department to ensure the smooth distribution and collection of the questionnaire. A period of three weeks was agreed by the HR department in which to return the completed questionnaires to the researcher. Hence, in the case of the government-owned bank, a non-random snowball sampling strategy forms the basis of the participant recruitment process (Denscombe, 2003; Lewis-beck, Bryman & Liao, 2004c).

4.5.3.1 Response rate

Table 4.3 shows a summary of the numbers of distributed and returned questionnaires for the study. Overall, a total of 1800 questionnaires were distributed in the two participating banks. At the end of the fieldwork, 857 questionnaires were returned, yielding a satisfactory response rate of 48%, despite the restricted access to the two participating banks, particularly in the case of the government-owned bank. Factors which may have contributed to this surprisingly high response rate are that the questionnaire was short and relatively simple in design and that an assurance of confidentiality and anonymity was given to participants.

Response rates varied very little between the two banks: 900 questionnaires were distributed to each, 432 being returned by private bank participants and 425 by their government bank counterparts, so that response rates were 48% and 47% respectively. Both of these figures (and therefore the overall rate) are within the range (42-83%) of published empowerment studies conducted in Malaysia (e.g. Abd Patah et al., 2009; Abd. Ghani et al., 2009; Alkahtani et al., 2011; Ismail et al., 2009; Raquib et al., 2010; Samad, 2007).
### Table 4.3: Summary of response rates

<table>
<thead>
<tr>
<th>Level</th>
<th>Distributed</th>
<th>Returned</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall sample</td>
<td>1800</td>
<td>857</td>
<td>48</td>
</tr>
<tr>
<td>Private bank</td>
<td>900</td>
<td>432</td>
<td>48</td>
</tr>
<tr>
<td>Government-owned bank</td>
<td>900</td>
<td>425</td>
<td>47</td>
</tr>
</tbody>
</table>

#### 4.5.3.2 Missing data

Missing data is commonly regarded as one of the most pervasive problems in social science research (Tabachnick & Fidell, 2007) and may have a wide variety of causes. Some are beyond the researcher’s control, such as absence on the day of data collection, failure to answer certain items in the questionnaire or refusal to answer sensitive items, while those over which the researcher has control include the design of excessively long questionnaires which are time consuming to complete (Byrne, 2001).

As missing data can seriously bias conclusion drawn from an empirical study, it is emphasised that the researcher must diagnose the problem systematically and apply an appropriate remedy (Byrne, 2001; Hair et al., 2006). The approaches to handling missing data include listwise deletion, pairwise deletion and imputation (i.e. mean values, regression, expectation-maximization and multiple imputations) with deletion of cases being the most popular approach (Blunch, 2008; Byrne, 2001; Hair et al., 2006; Tabachnick & Fidell, 2007; Tavani, 2010). However, deletion of cases can mean a substantial loss of cases (listwise deletion) and may generate “out of range” values for correlations and eigenvalues (pairwise deletion) (Hair et al., 2006; Tabachnick & Fidell, 2007; Tavani, 2010).

In the present study, a total of 59 (7%) returned questionnaires were found to be partially incomplete, some of the questions being unanswered. Of these, 26 items (6%) were missing from private bank responses and 33 (8%) in the case of the government-owned bank. In response, the researcher took the mean substitution approach, which is asserted to be the best approach when less than 10% of the dataset is missing (Acock, 2005; Donner, 1982; Raaijmakers, 1999; Roth, 1994; Tsikriktsis, 2005). Moreover, selection of a certain missing data approach over others is argued to be less critical when the amount of missing data is below 10% of the dataset (Hair et al., 2006; Tsikriktsis, 2005). Most importantly, mean substitution is easily implemented and provides all cases with complete information (Hair et al., 2006). Considering these arguments, mean substitution was believed to be the most appropriate response to missing data in the current study.
4.5.4 Questionnaire analysis

The analysis of the quantitative data was carried out using the Statistical Package for the Social Sciences (SPSS) version 16.0. Before analysis was performed, data screening was conducted on the data, to check for possible errors during the process of entering the data into SPSS (e.g. missing data, not within the range of possible scores) and more specifically to ensure a clean dataset for analysis. Once the data had been cleaned, preliminary analysis was performed by handling the issues of normality and outliers. According to Tabachnick and Fidell (2007), normality of variables can be assessed either by statistical methods, i.e. skewness and kurtosis, or by graphical methods, i.e. frequency histogram, expected normal probability plots and detrended expected normal probability plots. However, skewness and kurtosis are argued to be too sensitive for large sample sizes (Pallant, 2007; Tabachnick & Fidell, 2007). Tabachnick and Fidell (2007) thus recommend inspecting the shape of the distribution using a graphical method over that of using the statistical evidence of skewness and kurtosis. Field (2009) suggests the use of the Kolmogrov-Smirnov and Shapiro-Wilk tests to see whether the distributions as a whole deviates from a comparable normal distribution, but again points out the limitations of these tests with large sample sizes.

Following the suggestion of Tabachnick and Fidell (2007), preference was given to graphical methods, particularly due to the large sample sizes in the study. Inspection of the histogram showed that distribution of scores appeared to be reasonably normally distributed in all scales. In addition, a reasonably straight line was shown in expected normal probability plots. Given these two results, it can be said that the distribution of scores in the study was reasonably normal. For outliers, inspection was done via boxplot and the five per cent trimmed mean (Pallant, 2007). Those extreme outliers were removed from the dataset; however, the researcher decided to retain normal outliers because their removal would have significantly affected the number of samples in the study. Furthermore, five per cent trimmed mean values showed that there were not much difference from the mean values for all scales; therefore the decision to retain the normal outliers was supported (Pallant, 2007).

After this preliminary analysis, a detailed analysis was undertaken to investigate the research objectives. To address objective one (i.e. to determine differences in employee empowerment between private and government-owned banks) and objective two (to
determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position), parameter statistical tests known as the independent samples t-test and analysis of variance (ANOVA) were employed (Brace, Kemp & Snelgar, 2006; Field, 2009; Lewis-beck et al., 2004c; Pallant, 2007). These are considered the most appropriate when the objective is to explore differences between groups (Ghauri & Grønnhaug, 2005; Pallant, 2007). The independent samples t-test was used to measure differences where the independent variable had only two states (e.g. gender), whereas ANOVA was used for those with more than two states (e.g. age, ethnicity, organisational tenure and job position). Regression analysis was also employed to measure the strength of relationships between psychological empowerment and leadership behaviour (research objective three) and between psychological empowerment and intrinsic motivation (research objective four) with appropriate control variables. For mediation testing, the four steps suggested by Baron and Kenny (1986) were adopted with the application of the Sobel test (Sobel, 1982) to investigate whether the mediator variable of leadership behaviour (i.e. transformational vs. empowering leadership) significantly carried the influence of the antecedent variable (i.e. psychological empowerment) and outcome variable (i.e. intrinsic motivation) (research objective five). The Sobel test was preferred for testing mediation because it is argued to work well with larger samples (Benner, Nelson, Allor, Mooney & Dai, 2008; Preacher & Leonardelli, 2006). One of the assumptions necessary for this test is that parameter estimates are normally distributed (Preacher & Hayes, 2004). This is usually regarded as a safe assumption in a large sample (Preacher & Hayes, 2008), but as samples become smaller, the Sobel test becomes less conservative, i.e. the resulting confidence intervals produce asymmetric error rates, thereby decreasing the power necessary to detect indirect effects (Preacher & Hayes, 2004; Weaver, Shaw, Dishion & Wilson, 2008). Simulation studies have examined the effects of sample size on the power of tests of mediation (e.g. Frazeir, Tix & Barron, 2004; Hoyle & Kenny, 1999), with the finding that only samples of 200 or larger had sufficient power. This is in line with the parameters of the present study, where the overall sample size was 857, i.e. 432 and 425 for the private and government-owned banks respectively. Similar steps and statistical techniques were applied to objective six that investigated another mediation testing, i.e. whether the mediator variable of psychological empowerment was significantly influenced by the antecedent variable (leadership behaviour i.e. transformational vs. empowering leadership) and outcome variable (i.e. intrinsic motivation).
4.6 Qualitative method: Semi-structured interview

The previous section provided a description of the use of the questionnaire as the primary research method for the study. This section discusses the secondary research method of semi-structured interviews. It presents the details of the design of the interview, the pilot study, participants, procedures and the techniques involved in analysing the qualitative data. The purpose of the interviews was to investigate the last two objectives of the study, i.e. to identify the understanding and definition of empowerment among bank managers (research objective seven) and to reveal the empowerment process within Malaysian banks (research objective eight).

If a researcher has a specific focus for his or her interviews within a range of other methods employed in a study, it is suggested that the semi-structured format is preferable (May, 2001). Similarly, Denscombe (2003) states that the semi-structured interview is the best option when the interviewer has a clear list of issues to be addressed and questions to be answered. Apart from the possibility of keeping to some of or all of the overall plan or structure of the interview, the semi-structured format allows the interviewer to explore interviewees’ responses more deeply (Johnson, 2008). Most importantly, it permits flexibility in generating during the interview any additional questions which may be required to fully explore the research objectives and to make the interview freer and more conversational (Hermawan, 2005; Saunders, Lewis & Thornhill, 2009). In the context of the present study, the interview schedule was designed to address the final two research objectives stated at section 3.6. Beside the need to fulfil the specific research objectives, the researcher also intended to provide interviewees with open discussion for them to express freely their emotions, experiences and feelings pertaining to the study matter. For these reasons, the semi-structured format was chosen over other types of interview.

4.6.1 Interview design

Bearing in mind the last two objectives of the study and the results of the in-depth review of literature, the researcher developed an interview schedule (see appendix 8) comprising six sections: (1) demographic information, (2) nature of empowerment, (3) origins, (4) implementation, (5) limitations and (6) future development. The demographic section was designed to elicit the personal characteristics of the interviewee. As the interview was more
focused on the content of the study, rather than the demographic profile, only a small amount of demographic information that was deemed necessary (i.e. gender, age, organisational tenure, job role and department) was sought. The nature of empowerment section was specifically designed to obtain responses relating to research objective six, which was to understand the meaning of empowerment from the perspective of bank managers. The origin section was concerned with the background of the empowerment, including its introduction in the bank and the preliminary issues that were addressed before its implementation. The implementation section was designed in relation to research objective seven, which was to understand the process of empowerment practiced by the banks. While the aim of the limitation section was to identify the restriction issues on the existing empowerment, the future development section sought personal opinions from the interviewees regarding the changes that they felt to be important for the empowerment to be effective in the long term, particularly in the context of their department. Unlike the questionnaire, no Malay translation of the interview schedule was produced, as both banks agreed to use the English version.

There were 16 questions altogether in the nature of empowerment, origins, implementation, limitations and future development sections of the interview schedule (see appendix 8). Of these, 11 were taken from D'Souza (2001) and the remaining five were designed by the researcher in order to contribute further information to the study. These five questions were:

- What are the structures of empowerment in your bank? (nature of empowerment section)
- Have there been any revisions to the empowerment policy since it was implemented? (origins section)
- Did you receive any training or support before the empowerment exercise? (origins section)
- How has your staff responded to empowerment? Have they accepted/rejected it? (implementation section)
- What is your expectation of the empowerment strategy? (implementation section)

Following the requirement of the ethical committee of the university, each interview schedule was also designed with a participant information sheet (see appendix 9) and a
consent form (see appendix 10). The participant information sheet was designed to inform participants of the background to the study and also to highlight the importance of the interview for the study. The consent form signified the confirmation of participation by the interviewees.

4.6.2 Piloting the semi-structured interview

Similar to the questionnaire, a pilot study was also conducted for the semi-structured interview (Lewis-beck et al., 2004b; Van Teijlingen & Hundley, 2001). According to Peat, Williams and Xuan (2002), the pilot study procedure helps to identify ambiguous and difficult questions and also to establish that replies can be interpreted in terms of the information that is required. Five participants were used to test the interview questions. They were employees in managerial positions in the private and government sectors in Malaysia. During the pilot study, no actual interview took place; instead, the interview schedule—comprising the participant information sheet, consent form and interview questions—was sent to them via email. They were requested to provide comments on the clarity of the instructions and interview questions. Instead of providing detailed answers, the participants were asked to provide point form answers to the interview questions, to check that their replies reflected the purpose of the interview questions (Peat et al., 2002). The participants stated that they felt that the interview questions were straightforward and that they had no difficulty in answering them. Further, the answers that they gave showed a pattern of similarities. As a result, no amendments were made to the interview questions or to the format of the interview schedule.

4.6.3 Interviewees

Participants in the interview process were six senior managers from each of the two participating banks, selected by their HR departments. Three of those from the private bank were from branches where direct contact with customers was evident, while the remaining three were from the head office departments of HR, operations and administration, where no customer contact was involved. Meanwhile, in the government-owned bank, all six senior managers worked at head office, in the departments of marketing and sales (where customer contact was evident), compliance, finance, audit, risk
management and human resources. Further details of the demographic profiles of all interviewees are furnished in chapter 6.

4.6.4 The interview procedure

Once the selection of interviewees had been made by the participating banks and their respective HR departments had informed them of this, their contact information was given to the researcher. She then introduced herself informally to each one by email (see appendix 11) and telephone in order to explain the study and its purpose, as well as the interview process. Arrangements for the date and time of the interview sessions were also made at this stage. During the initial contact, requests were made by most interviewees to have sight of the questions in advance. Thus, a copy of interview schedule, together with the participant information sheet and consent form, was provided to each manager prior to interview.

All interviews were conducted by the researcher, face to face at the participants’ workplaces and at times and dates agreed during the initial contact. At the beginning of each interview, the participant was briefed about the format and informed that there were no right or wrong answers to the questions. Participants were also assured that their responses would be kept strictly confidential and anonymous. The researcher then asked for permission to record the interview. Of the twelve participants, ten agreed to this, while the other two refused. Where the interview was recorded, a tape recorder was used, whereas interview notes were taken for those that were not recorded. There were several occasions where participants asked that the recording be stopped, when they wanted to comment on issues they felt were sensitive. On any occasion when only short answers were given, the researcher made an effort to probe for further responses. When participants did not answer the questions adequately, the researcher used approaches such as rephrasing the questions in everyday language and providing examples. It was observed that interaction between researcher and participants was rather formal, perhaps because of where the interviews took place, in the formal work environment.

Due to the busy schedules of the participants, the researcher was requested by the HR departments to keep the interview sessions to a strict maximum of one hour for each participant. However, some interviews exceeded this and lasted for as much as one and a
half hours. In all such cases, the participants had willingly agreed at the start of the interview to a session lasting more than an hour. Overall, the duration of the interviews at both banks ranged between 30 and 90 minutes. At the end of each interview, the researcher thanked the participants for their time and commitment to the study. They were reassured at this point that their confidentiality and anonymity would be respected.

4.6.5 Analysis of interview data

Having completed the interviews, the researcher collated the data and prepared them for analysis. She first transcribed the interviews and typed up the interview notes (for interviews that were not recorded). All collated data were then read to obtain the general ideas of the participants. At the same time, the researcher also attempted to reflect on the overall meaning of the ideas. To ensure familiarity with the contents, all data were read again. Once the re-reading was complete, the researcher began the data analysis, using the principles of thematic analysis, which is also commonly referred to as template analysis (King, 2004; Miles & Huberman, 1994). Bryman (2008) explains that this involves the extraction of key themes from data. According to King (2004), thematic analysis works well with small datasets or when researchers know the issues that they are searching for. It can also be used within a range of epistemological assumptions and can thus be useful to a large number of researchers (Waring & Wainwright, 2008). With only twelve interviews on predetermined issues, thematic analysis was therefore deemed to be useful for this study.

The predetermined themes in the study were the definition and process of empowerment. It is important to recognise that these corresponded to the research objectives. A code template containing the two themes was developed. The researcher then identified sections of text that related to them. In the next step, the researcher combined and catalogued related patterns into sub-themes at up to three levels. Those at the first level emerged under each predetermined theme, whilst the second level emerged under the first level of sub-themes and the third under the second. A final code template (see appendix 12) was then formulated by considering the inclusion of multiple sub-themes which emerged during the categorisation process. Finally, the meanings of themes were interpreted and possible relationships and trends in the themes were explored. A narrative passage was used to convey each finding of this analysis (in chapter six). Creswell (2009) identifies the narrative passage as the most popular device used to communicate qualitative data findings.
4.7 Ethical considerations

The study adhered to the code of ethics laid down by the university regulations. A study plan was submitted to the university’s research ethics committee and ethical approval was obtained in 2008. Precautionary measures were undertaken to meet the ethical guidelines set by the committee. Specifically, ethical guidelines pertaining to the participation information sheet, consent form, information confidentiality and participants’ anonymity were strictly complied with throughout the study process.

An important part of any procedure designed to ensure proper treatment of participants is informed consent (Johnson, 2008). In this study, a participant information sheet (see appendixes 2 and 9) and consent form (see appendixes 3 and 10) were designed to meet this requirement. The participant information sheet provided an overview of the study and details of its aims and procedures. It was made clear in the sheet that participants had an absolute right to withdraw from the study at any time, for any reason. The contact details of the researcher were also provided in case participants had further queries or concerns pertaining to the study. The consent form was designed to provide a record showing that each participant had agreed voluntarily to participate in the study.

In addition to the participant information sheet and consent form, precautionary measures were undertaken to ensure the confidentiality of information provided and the participants’ anonymity. The questionnaire and interview schedule were strictly designed so that participants were not required to provide personal or organisational details. Moreover, in reporting the analysis, data will be published in such a way that no individual can be identified.

4.8 Summary

This chapter has discussed the methodology employed to address the research objectives. A mixed methods design was adopted and two types of data, quantitative and qualitative, were collected. To reiterate, the objectives of the study were:
Objective one: To determine the differences in employee empowerment between private and government-owned banks

Objective two: To determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position

Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)

Objective four: To ascertain the relationship between empowerment and intrinsic motivation

Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation

Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation

Objective seven: To identify the understanding and definition of empowerment among bank managers

Objective eight: To reveal the empowerment process within Malaysian banks.

Of these eight objectives, the first six were addressed using quantitative data (through hypothesis testing) and the others through the analysis of qualitative data.

A questionnaire, which was the main research instrument for the study, was administered to participants to obtain the quantitative data, which was then analysed using multiple statistical analysis techniques including the independent samples t-test, one-way ANOVA, regression analysis and the Sobel test (Baron & Kenny, 1986; Brace et al., 2006; Field, 2009; Lewis-beck et al., 2004c; Pallant, 2007; Preacher & Leonardelli, 2006). The secondary research method was to conduct semi-structured interviews to elicit the qualitative data, which was collated and subjected to thematic analysis (Kings, 2004; Miles & Huberman, 1994).

The following two chapters present the results of the study: those of the quantitative data analysis in chapter five and those of the thematic analysis of the interview data in chapter six.
5  RESULTS: THE QUANTITATIVE QUESTIONNAIRE

5.1  Introduction

This chapter looks at the quantitative data collected using the main research method of the study. Specifically, it presents the statistical results of the questionnaires completed by employees of the two participating banks. As discussed in chapters three and four (see sections 3.6 and 4.8), of the eight research objectives formulated in the study, six are quantitative in nature and therefore addressed by the questionnaire. This chapter reports the statistical results of the questionnaire in a structure that addresses these six objectives alongside their associated hypotheses, which are:

Objective one: To determine the differences in employee empowerment between private and government-owned banks
   H1: There is a difference in employee empowerment between private and government-owned banks

Objective two: To determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position
   H2a: Older employees will perceive higher empowerment than younger ones
   H2b: Females will perceive higher empowerment than males
   H2c: Members of the majority ethnic group will perceive higher empowerment than members of minorities
   H2d: Employees with longer tenure will perceive higher empowerment than those with shorter tenure
   H2e: Employees with higher job positions will perceive greater empowerment than those in lower job positions

Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)
   H3a: Empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)
H3b: The meaning facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

H3c: The impact facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

H3d: The self-determination facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

H3e: The competence facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

Objective four: To ascertain the relationship between empowerment and intrinsic motivation

H4: Empowerment is positively related to intrinsic motivation

Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation.

H5: Leadership behaviour (i.e. transformational leadership and empowering leadership) mediates the relationship between empowerment and intrinsic motivation

Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation.

H6: Empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation.

The questionnaire data were analysed using statistical methods appropriate to the objectives, as described in detail in chapter four (see section 4.5.4). Objectives one and two were addressed by the independent samples t-test and one-way ANOVA (Ghauri &
Grønhaug, 2005; Pallant, 2007), objectives three and four by regression analysis (Bryman & Cramer, 1992; Field, 2009; Tabachnick & Fidell, 2007) and objective five and six by three statistical methods: the Pearson correlation, regression analysis and the Sobel test (Baron & Kenny, 1986; Pallant, 2007; Sobel, 1982). It is important to note that the study assumed an alpha level of significance below five per cent ($p<0.05$) for the statistical analyses performed (Bryman, 2008; Colman & Pulford, 2006; Denscombe, 2003; Lewis-beck, Bryman & Liao, 2004b).

This chapter follows a format that addresses the above research objectives. It begins with a discussion of data screening, whose purpose was to check for possible errors in the dataset and to correct them before the detailed analysis. The next section presents a preliminary analysis of the dataset, which involves investigating crucial areas of normality of the distribution of scores and outliers. An analysis of the validity and reliability of the constructs follows. The chapter continues by providing demographic details of study participants. Thereafter, separate sections report the results of statistical tests performed for each of the research objectives, with explanations of the tests employed. The chapter concludes with a summary.

5.2 Data screening

The quantitative data gathered from the self-administered questionnaires was first entered into SPSS version 16 to create a dataset. Tabachnick and Fidell (2007) state that screening data prior to analysis is fundamental to ensuring the accuracy of a dataset. Similarly, Pallant (2007) highlights the need to inspect the descriptive statistics for each variable, categorical and continuous alike, to ensure the reliability and accuracy of the data.

To check the categorical variables, descriptive statistics of frequencies were calculated (Pallant, 2007). The results indicated the legitimacy of cases in the dataset, that they were within the range of possible scores and that no cases were missing. The categorical variables checked were mainly demographic data of participants such as age, gender, ethnicity, job position, department and organisational tenure. For continuous variables, examination was performed on descriptive statistics of minimum and maximum scores, mean ($M$) and standard deviation ($SD$) (Field, 2009; Pallant, 2007). Similar to the descriptive statistics of frequencies, the minimum and maximum values enabled
confirmation that the values fell within the range of possible scores, whilst plausible $M$ and $SD$ values helped to further verify the accuracy of continuous variables in the dataset. No inaccuracies were detected for the continuous variables.

5.3 Preliminary analysis

After screening, the dataset underwent preliminary analysis prior to detailed statistical analysis. This involved testing the normality assumption and checking for possible outliers in the continuous variables. Of the two approaches to assessing the normality of continuous variables, i.e. statistical methods (skewness and kurtosis) or graphical methods (histogram and expected normal probability plots) (see section 4.5.4), the latter were considered more appropriate for this study because of the limitation of statistical methods with large sample sizes (Field, 2009; Tabachnick & Fidell, 2007). Therefore, the graphical methods of histogram and expected normal probability plots were applied to test the normality assumption.

As highlighted in chapter four (see section 4.5.4), inspection of the histograms showed that scores appeared to be reasonably normally distributed on all of the continuous variable scales. Moreover, reasonably straight lines appeared in the expected normal probability plots. Given these two results, it was concluded that the distribution of scores in the study was reasonably normal. As a result, parametric tests were used instead of non-parametric tests in the detailed analysis (Pallant, 2007).

Meanwhile, inspection for outliers was done by means of a boxplot and the five per cent trimmed mean (Pallant, 2007; Seo, 2006). According to Pallant (2007), normal outliers are scores that extend more than 1.5 box-lengths from the edge of the boxplot, whereas extreme outliers are those that extend more than three box-lengths from the edge of the boxplot. Eleven extreme outliers were detected by the boxplot in the dataset and were removed from it so that they did not distort the results of the study (Seo, 2006; Tabachnick & Fidell, 2007). The same decision was made for the normal outliers. However, the decision to remove the normal outliers was found to reduce the sample size of the study significantly, as normal outliers continued appearing in the boxplot despite repeated removal. This suggests that the normal outliers can be considered to be cases containing critical information about the data (i.e. the cases formed part of the intended population).
(Tabachnick & Fidell, 2007; Seo, 2006). Therefore, the normal outliers were retained, apart from the fact that their removal would have significantly affected the size of the sample. Furthermore, Table 5.1 shows that the five per cent trimmed mean values were not much different from the mean values for all scales, supporting the decision to retain the normal outliers (Pallant, 2007).

**Table 5.1: Five per cent trimmed mean and mean values for continuous scales**

<table>
<thead>
<tr>
<th>Scale</th>
<th>5% trimmed mean</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>5.33</td>
<td>5.35</td>
</tr>
<tr>
<td>Leadership behaviour:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>3.21</td>
<td>3.22</td>
</tr>
<tr>
<td>Leadership behaviour:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowering leadership</td>
<td>3.36</td>
<td>3.37</td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>3.21</td>
<td>3.22</td>
</tr>
</tbody>
</table>

Once the outliers had been dealt with, the size of the final sample used in the detailed analysis was found to have been reduced to 846 cases overall: 421 and 425 for the private and government-owned banks respectively.

### 5.4 Construct validity and reliability

To complete the preliminary analysis, the validity and reliability of the constructs were assessed. According to McCrae et al. (2011), the validity and reliability of the scales must be quantified to test the hypothesis. Validity refers to ‘the extent to which a scale or a set of measures accurately represents the concept that it is intended to measure’ (Hair et al., 2006, p.137), while reliability means that ‘a measure should consistently reflect the construct that it is measuring’ (Field, 2009, p. 673). There are various forms of validity measures with convergent, discriminant and nomological being the most widely accepted (Blunch, 2008; Hair et al., 2006). The study applied the first two forms, i.e. convergent and discriminant validity, to assess construct validity. The most commonly used measure of internal reliability is the Cronbach’s alpha coefficient (Bryman, 2008; Field, 2009; Pallant, 2007), with values in the range of 0.70 to 0.80 being considered acceptable (Nunnally, 1978). Two types of factor analysis, i.e. exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were used in the study to facilitate the assessment of the construct validity and reliability of the scales.
5.4.1 Exploratory factor analysis

EFA provides for data exploration and determines the possible underlying factor structure of a set of observed data without imposing a preconceived structure on the outcome (Child, 1990; Tabachnick & Fidell, 2007). Specifically, the use of EFA helps to check whether all the items are loading on their respective constructs and to check for cross-loadings between items. Varimax rotation was preferred as the extraction method of EFA in the study, considering that it minimises the correlation across factors and maximises it within them (Hair et al., 2006). Following a suggestion by Nunnally (1978), the study retained those items with loadings higher than 0.50 to be considered as sufficient loading.

The results of the first EFA conducted on all the scales revealed 13 separate factors with eigenvalues more than one, which explained 75.76% of total variance. However, a comparison of eigenvalues from factor analysis and criterion values from parallel analysis (Horn, 1965) revealed only 11 factors where eigenvalues were larger than the criterion value from the parallel analysis (see Table 5.2).

Table 5.2: Comparison of eigenvalues from EFA and criterion values from parallel analysis

<table>
<thead>
<tr>
<th>Component number</th>
<th>Actual eigenvalue from PCA</th>
<th>Criterion value from parallel analysis</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>17.894</td>
<td>1.5449</td>
<td>Accept</td>
</tr>
<tr>
<td>2</td>
<td>4.907</td>
<td>1.4941</td>
<td>Accept</td>
</tr>
<tr>
<td>3</td>
<td>3.517</td>
<td>1.4596</td>
<td>Accept</td>
</tr>
<tr>
<td>4</td>
<td>2.725</td>
<td>1.4308</td>
<td>Accept</td>
</tr>
<tr>
<td>5</td>
<td>2.279</td>
<td>1.4017</td>
<td>Accept</td>
</tr>
<tr>
<td>6</td>
<td>2.084</td>
<td>1.3771</td>
<td>Accept</td>
</tr>
<tr>
<td>7</td>
<td>1.862</td>
<td>1.3516</td>
<td>Accept</td>
</tr>
<tr>
<td>8</td>
<td>1.600</td>
<td>1.3294</td>
<td>Accept</td>
</tr>
<tr>
<td>9</td>
<td>1.536</td>
<td>1.3077</td>
<td>Accept</td>
</tr>
<tr>
<td>10</td>
<td>1.323</td>
<td>1.2858</td>
<td>Accept</td>
</tr>
<tr>
<td>11</td>
<td>1.270</td>
<td>1.2665</td>
<td>Accept</td>
</tr>
<tr>
<td>12</td>
<td>1.159</td>
<td>1.2482</td>
<td>Reject</td>
</tr>
<tr>
<td>13</td>
<td>1.030</td>
<td>1.2292</td>
<td>Reject</td>
</tr>
</tbody>
</table>
Following the results of parallel analysis, a second EFA was conducted, where 11 factors were forced as the factor solution. These eleven explained 71.92% of the total variance. Nevertheless, it was noted that some items were associated with single-loading (five items) and low loading i.e. less than 0.50 (seven items). These 12 items were then dropped and a further EFA was conducted. Table 5.3 shows the results of this third EFA, with 11 factor solutions which contributed 78.22% of total variance.

Table 5.3: Exploratory factor analysis of the measures

<table>
<thead>
<tr>
<th>Factors/Items</th>
<th>Factor loading</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>KMO=0.885; Bartlett’s significance = 0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factor 1:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meaning 1</td>
<td>0.866</td>
<td></td>
</tr>
<tr>
<td>Meaning 2</td>
<td>0.841</td>
<td></td>
</tr>
<tr>
<td>Meaning 3</td>
<td>0.809</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 2:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence 1</td>
<td>0.679</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Competence 2</td>
<td>0.804</td>
<td></td>
</tr>
<tr>
<td>Competence 3</td>
<td>0.819</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 3:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-determination 1</td>
<td>0.637</td>
<td></td>
</tr>
<tr>
<td>Self-determination 2</td>
<td>0.721</td>
<td></td>
</tr>
<tr>
<td>Self-determination 3</td>
<td>0.606</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 4:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact 1</td>
<td>0.706</td>
<td></td>
</tr>
<tr>
<td>Impact 2</td>
<td>0.860</td>
<td></td>
</tr>
<tr>
<td>Impact 3</td>
<td>0.833</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 5:</strong></td>
<td></td>
<td>Transformational leadership</td>
</tr>
<tr>
<td>Idealised influence 1</td>
<td>0.710</td>
<td></td>
</tr>
<tr>
<td>Intellectual stimulation 1</td>
<td>0.681</td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 1</td>
<td>0.786</td>
<td></td>
</tr>
<tr>
<td>Idealised influence 2</td>
<td>0.706</td>
<td></td>
</tr>
<tr>
<td>Inspirational motivation 2</td>
<td>0.752</td>
<td></td>
</tr>
<tr>
<td>Intellectual stimulation 2</td>
<td>0.769</td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 2</td>
<td>0.793</td>
<td></td>
</tr>
<tr>
<td>Idealised influence 3</td>
<td>0.783</td>
<td></td>
</tr>
<tr>
<td>Inspirational motivation 3</td>
<td>0.811</td>
<td></td>
</tr>
<tr>
<td>Intellectual stimulation 3</td>
<td>0.719</td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 3</td>
<td>0.774</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 6:</strong></td>
<td></td>
<td>Empowering leadership</td>
</tr>
<tr>
<td>Innovation 1</td>
<td>0.725</td>
<td></td>
</tr>
<tr>
<td>Innovation 2</td>
<td>0.643</td>
<td></td>
</tr>
<tr>
<td>Innovation 3</td>
<td>0.682</td>
<td></td>
</tr>
<tr>
<td>Innovation 4</td>
<td>0.621</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 7:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upward influence 1</td>
<td>0.743</td>
<td></td>
</tr>
<tr>
<td>Upward influence 2</td>
<td>0.817</td>
<td></td>
</tr>
<tr>
<td>Upward influence 3</td>
<td>0.734</td>
<td></td>
</tr>
<tr>
<td>Upward influence 4</td>
<td>0.658</td>
<td></td>
</tr>
<tr>
<td><strong>Factor 8:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspiration 1</td>
<td>0.747</td>
<td></td>
</tr>
<tr>
<td>Inspiration 2</td>
<td>0.748</td>
<td></td>
</tr>
<tr>
<td>Inspiration 3</td>
<td>0.568</td>
<td></td>
</tr>
</tbody>
</table>
As indicated in Table 5.3, all factor loadings of the items were well above the 0.50 level that represented sufficient factor loading. It is imperative to note that the 11 factors or solutions extracted were the dimensions belonging to their respective measures of the study; i.e. four dimensions of empowerment (meaning, competence, self-determination and impact), a single dimension of transformational leadership, four dimensions of empowering leadership (inspiration, innovation, upward influence and monitor) and two dimensions of intrinsic motivation (challenge and enjoyment). The identification of four factors for empowerment, four for empowering leadership and two for intrinsic motivation was consistent with the literature, which suggests four dimensions of empowerment (Spreitzer, 1995), four dimensions of empowering leadership (Spreitzer et al., 1999) and two dimensions of intrinsic motivation (Amabile et al., 1994). As for transformational leadership, by contrast, the single factor solution proposed here conflicts with the four dimensions suggested in the existing literature, i.e. idealised influence, inspirational motivation, intellectual stimulation and individualised consideration (Bass & Avolio, 1992).

Therefore, another EFA was performed for transformational leadership alone. A similar result was obtained: a one-factor solution extracted with eigenvalues more than one, which explained 68.89% of total variance. The total variance explained was found to be consistent with the suggestion of Hair et al. (2006) that 60% of total variance explained is realistic and adequate. The result of the scree plot test (appendix 13) further supports the one-factor solution for transformational leadership, with an inflection point following the first factor.
5.4.2 Confirmatory factor analysis

Whereas EFA serves for data exploration and the determination of factor structure, CFA verifies the factor structure of a set of observed variables, specifically providing a means of testing construct validity and reliability (Hair et al., 2006). In essence, CFA helps to clarify the measurement of constructs, to calculate convergent, discriminant and nomological validity, to ensure that there are no cross-loadings or uncorrelated errors and finally, to test construct reliability (Tavani, 2010). For validation of the measurement model, two methods are commonly suggested: testing each construct separately, where each latent variable is conducted independently (Garver & Mentzer, 1999), and testing all constructs simultaneously (Cheng, 2001), the former being preferred in the present study. The following subsections present the results of CFA on each of the measures using structural equation modelling (SEM) by means of analysis of moment structure (AMOS) version 16.

5.4.2.1 Empowerment measure

The four-factor structure of empowerment was specified and tested through CFA. The fit indices of the first model are as follows: $\chi^2=916.327; \ df=48; p<0.001; \ GFI=0.859; \ AGFI=0.770; \ CFI=0.876; \ RMSEA=0.146$. The results indicate a poor model fit, given that all the fit indices are below the recommended value, i.e. GFI, AGFI and CFI should be above 0.90 and RMSEA less than 0.10 (Byrne, 2001). Based on modification indices, three items (meaning 1, competence 3 and impact 1) were removed due to their high loading across other factors. These removals improved the fit indices of the second model considerably: $\chi^2=180.975; \ df=21; p<0.001; \ GFI=0.954; \ AGFI=0.902; \ CFI=0.968; \ RMSEA=0.095$.

Next to be checked was the construct validity of the measure, i.e. its convergent validity and discriminant validity. According to Hair et al. (2006), convergent validity can be assessed via three items: standardised factor loadings, average variance extracted (AVE) and construct reliability, where standardised factor loadings should be 0.50 or higher and AVE should be 0.50 or greater to indicate adequate convergence validity, whilst construct reliability should be 0.70 or more for adequate internal consistency.
It can be concluded from Table 5.4 that sufficient evidence of convergent validity has been established for the empowerment measure, specifically the four dimensions identified, whereby standardised loadings, AVE and construct reliability are all in line with the aforementioned criteria for convergent validity.

Hair et al. (2006) define discriminant validity as ‘the extent to which a construct is truly distant from other constructs’ (p. 771) and suggest as a rule of thumb for evidence of discriminant validity that all AVE estimates for a construct should be larger than the corresponding squared interconstruct correlation estimates. Table 5.5 shows the results of the discriminant validity assessment for the empowerment measure.

Table 5.5 shows evidence of discriminant validity, as the AVE of each construct is greater than the squared interconstruct correlations. This suggests that each of the constructs uniquely represents the dimensions of empowerment. It can also be seen that the four constructs are moderately correlated, with correlation coefficient from 0.34 to 0.55 at \( p<0.001 \).
Given the good fit indices of the measurement model and the results of convergent and discriminant validity, which are in line with the desirable rule of thumb values, the four-factor structure of empowerment was confirmed by the CFA, hence establishing the construct validity of the measure.

### 5.4.2.2 Transformational leadership

The one-factor solution for the transformational leadership measure found during the EFA analysis was specified through the CFA. The results of the first model are: $\chi^2=779.982; df=44; p<0.001; GFI=0.865; AGFI=0.797; CFI=0.911; RMSEA=0.141$, suggesting a poor model fit. Due to the largest standardised residuals, three items were removed from the CFA measurement model: intellectual stimulation 2, inspirational motivation 3 and individualised consideration 3. The process of purification led to the fit indices of the CFA model reaching the desirable level: $\chi^2=187.276; df=20; p<0.001; GFI=0.954; AGFI=0.918; CFI=0.967; RMSEA=0.099$.

Table 5.6 displays the analysis of convergent validity for transformational leadership.

<table>
<thead>
<tr>
<th>Items</th>
<th>Standardised factor loading</th>
<th>AVE</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealised influence 1</td>
<td>0.870</td>
<td>0.652</td>
<td>0.937</td>
</tr>
<tr>
<td>Intellectual stimulation 1</td>
<td>0.756</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 1</td>
<td>0.875</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealised influence 2</td>
<td>0.825</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspirational motivation 2</td>
<td>0.830</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 2</td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealised influence 3</td>
<td>0.838</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual stimulation 3</td>
<td>0.716</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All items for transformational leadership are above 0.50 and the construct reliability is higher than 0.70, thus establishing the convergent validity of the one-factor model. It can be concluded that the one-factor model of transformational leadership has been confirmed by CFA via the good fit indices of the model and evidence of convergent validity. Discriminant validity, however, was not estimated for transformational leadership, given the fact that EFA yielded a one-factor solution in the study.
To further validate the one-factor model of transformational leadership, another CFA was run on the four-factor solution proposed in the literature (Bass & Avolio, 1992). The results were: \( \chi^2=750.466; \; df=38; \; p<0.001; \; GFI=0.872; \; AGFI=0.778; \; CFI=0.914; \; RMSEA=0.149 \), suggesting a poor model fit. The results for convergent validity and discriminant validity are shown in Tables 5.7 and 5.8 respectively.

Table 5.7: Convergent validity of transformational leadership (four factors)

<table>
<thead>
<tr>
<th>Items</th>
<th>Standardised factor loading</th>
<th>AVE</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealised influence 1</td>
<td>0.850</td>
<td>0.712</td>
<td>0.881</td>
</tr>
<tr>
<td>Idealised influence 2</td>
<td>0.806</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealised influence 3</td>
<td>0.874</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspirational motivation 2</td>
<td>0.823</td>
<td>0.695</td>
<td>0.820</td>
</tr>
<tr>
<td>Inspirational motivation 3</td>
<td>0.844</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual stimulation 1</td>
<td>0.742</td>
<td>0.560</td>
<td>0.792</td>
</tr>
<tr>
<td>Intellectual stimulation 2</td>
<td>0.767</td>
<td>0.560</td>
<td>0.792</td>
</tr>
<tr>
<td>Intellectual stimulation 3</td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 1</td>
<td>0.854</td>
<td>0.655</td>
<td>0.850</td>
</tr>
<tr>
<td>Individualised consideration 2</td>
<td>0.742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualised consideration 3</td>
<td>0.828</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5.8: Discriminant validity for transformational leadership (four factors)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Idealised influence</th>
<th>Inspirational motivation</th>
<th>Intellectual stimulation</th>
<th>Individualised consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealised influence</td>
<td>0.712</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Inspirational motivation</td>
<td>1.00***</td>
<td>0.695</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Intellectual stimulation</td>
<td>1.00***</td>
<td>1.00***</td>
<td>0.559</td>
<td>1.00</td>
</tr>
<tr>
<td>Individualised consideration</td>
<td>1.00***</td>
<td>1.00***</td>
<td>1.00***</td>
<td>0.655</td>
</tr>
</tbody>
</table>

***p<0.001

Diagonal elements represent AVE
Off-diagonal elements represent squared interconstruct correlations
Lower diagonal elements represent correlation

Despite the evidence of convergent validity for the four-factor model of transformational leadership, the results for discriminant validity do not support the distinctiveness of each of the constructs as uniquely present in the dimensions of transformational leadership. Hence, there is support for the unidimensionality of transformational leadership reported in the study. It has been argued, however, in regard to transformational leadership measures, MLQ in particular, that the scale may not measure different or unique underlying
constructs because of the high intercorrelations among the factors (Antonakis, Avolio & Sivasubramaniam, 2003; Carless, 1998; Elenkov et al., 2005). Moreover, among the published studies that have tested the factor structure of transformational leadership using the MLQ, different numbers of factors have been reported. Hinkin, Tracey and Enz (1997) and Carless (1998), for example, report having found three factors whilst Tracey and Hinkin (1998) report just one factor. Thus, the one-factor solution found in the present study is not surprising, to the extent that it is consistent with the finding of Tracey and Hinkin (1998).

5.4.2.3 Empowering leadership

The four factors of empowering leadership were estimated in the CFA. The fit indices of the first model are as follows: $\chi^2=1370.494$; $df=84$; $p<0.001$; GFI=0.839; AGFI=0.770; CFI=0.876; RMSEA=0.131, indicating a poor model fit. Five items that were problematic were removed from the model because they yielded high loading across other factors; these were innovation 3, innovation 4, upward influence 4, inspiration 3 and monitoring 1. The details of fit indices for the second model are $\chi^2=232.688$; $df=29$; $p<0.001$; GFI=0.950; AGFI=0.905; CFI=0.967; RMSEA=0.091, suggesting acceptably good fit indices.

With regard to convergent validity (see Table 5.9), all the standardised factor loadings for the four factors of empowering leadership are above 0.70. All AVE values are above the threshold of 0.50 and the construct reliability is above the minimum of 0.70, all of which indicates that there is sufficient evidence of convergent validity.

### Table 5.9: Convergent validity for empowering leadership

<table>
<thead>
<tr>
<th>Items</th>
<th>Standardised factor loading</th>
<th>AVE</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation 1</td>
<td>0.924</td>
<td>0.776</td>
<td>0.873</td>
</tr>
<tr>
<td>Innovation 2</td>
<td>0.835</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upward influence 1</td>
<td>0.909</td>
<td>0.757</td>
<td>0.903</td>
</tr>
<tr>
<td>Upward influence 2</td>
<td>0.859</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upward influence 2</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspiration 1</td>
<td>0.966</td>
<td>0.783</td>
<td>0.877</td>
</tr>
<tr>
<td>Inspiration 2</td>
<td>0.795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring 2</td>
<td>0.809</td>
<td>0.777</td>
<td>0.912</td>
</tr>
<tr>
<td>Monitoring 3</td>
<td>0.996</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring 4</td>
<td>0.828</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Discriminant validity is also established for empowering leadership, given that the AVE of each construct is greater than the squared inter-construct correlation (see Table 5.10). This suggests that each of the constructs uniquely represents the dimensions of empowering leadership. The four constructs are moderately correlated, with correlation coefficients from 0.32 to 0.64 at \( p < 0.001 \).

### Table 5.10: Discriminant validity for empowering leadership

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Innovation</th>
<th>Upward influence</th>
<th>Inspiration</th>
<th>Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>0.776</td>
<td>0.412</td>
<td>0.237</td>
<td>0.229</td>
</tr>
<tr>
<td>Upward influence</td>
<td>0.642***</td>
<td>0.757</td>
<td>0.391</td>
<td>0.100</td>
</tr>
<tr>
<td>Inspiration</td>
<td>0.487***</td>
<td>0.625***</td>
<td>0.783</td>
<td>0.144</td>
</tr>
<tr>
<td>Monitoring</td>
<td>0.479***</td>
<td>0.316***</td>
<td>0.379***</td>
<td>0.777</td>
</tr>
</tbody>
</table>

***\( p < 0.001 \)

Diagonal elements represent AVE.
Off-diagonal elements represent squared inter-construct correlations.
Lower diagonal elements represent correlation.

#### 5.4.2.4 Intrinsic motivation

The two factors of intrinsic motivation were specified and tested in the CFA. The goodness of fit measures are all within the desirable values: \( \chi^2 = 125.329; \text{df} = 13; p < 0.001 \); GFI = 0.962; AGFI = 0.918; CFI = 0.952; RMSEA = 0.101, indicating that the four-factor model fits the data well with no items removed.

The convergent and discriminant validity of the intrinsic motivation measure were also established. The detailed analyses are shown in Tables 5.11 and 5.12 respectively.

### Table 5.11: Convergent validity for intrinsic motivation

<table>
<thead>
<tr>
<th>Items</th>
<th>Standardised factor loading</th>
<th>AVE</th>
<th>Construct reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge 1</td>
<td>0.821</td>
<td>0.717</td>
<td>0.883</td>
</tr>
<tr>
<td>Challenge 2</td>
<td>0.946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Challenge 3</td>
<td>0.762</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enjoyment 1</td>
<td>0.658</td>
<td>0.432</td>
<td>0.753</td>
</tr>
<tr>
<td>Enjoyment 3</td>
<td>0.696</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enjoyment 7</td>
<td>0.642</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enjoyment 9</td>
<td>0.632</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 5.11, all the standardized factor loadings for the challenge dimensions are above 0.70. The AVE (0.717) is above threshold of 0.5 and the construct reliability
(0.883) is above minimum value of 0.7. For the enjoyment dimension, all standardised factor loadings are greater than 0.60 and while AVE is slightly below the threshold of 0.50, this is still acceptable, as it does not affect the fit of the measurement model. Moreover, the construct reliability is above the threshold of 0.7. Hence, sufficient convergent validity has been established.

**Table 5.12: Discriminant validity for intrinsic motivation**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Challenge</th>
<th>Enjoyment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge</td>
<td>0.717</td>
<td>0.123</td>
</tr>
<tr>
<td>Enjoyment</td>
<td>0.350***</td>
<td>0.432</td>
</tr>
</tbody>
</table>

***p<0.001
Diagonal elements represent AVE
Off-diagonal elements represent squared inter-construct correlations
Lower diagonal elements represent correlation

Table 5.12 provides evidence of discriminant validity, as the AVE of each construct is greater than the squared inter-construct correlation. This supports the distinctiveness of each of the constructs of intrinsic motivation. A significant positive correlation between challenge and enjoyment is also reported (r=0.350, p<0.001).

### 5.5 Demographic information

This section discusses the demographic data gathered through the questionnaires, which were of two types: personal and organisational. The former included information on gender, age, ethnicity, religion, marital status and highest educational qualification, whilst the latter pertained to current job position, department, length of service in current job position, length of service in current department, length of service with the bank (i.e. organisational tenure) and total working experience. Each of these types of demographic data is considered separately, beginning with the personal information.

#### 5.5.1 Personal demographic information

Table 5.13 presents the personal demographic information of participants in the study, which is discussed below.
Table 5.13: Personal demographic information

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Category</th>
<th>Private (N=421)</th>
<th>Percentage</th>
<th>Government-owned (N=425)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>182</td>
<td>43.2</td>
<td>146</td>
<td>34.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>239</td>
<td>56.8</td>
<td>279</td>
<td>65.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
<td>100.0</td>
</tr>
<tr>
<td>Age</td>
<td>Below 25</td>
<td>27</td>
<td>6.4</td>
<td>42</td>
<td>9.9</td>
</tr>
<tr>
<td></td>
<td>26-30</td>
<td>108</td>
<td>25.7</td>
<td>77</td>
<td>18.1</td>
</tr>
<tr>
<td></td>
<td>31-35</td>
<td>109</td>
<td>25.9</td>
<td>61</td>
<td>14.4</td>
</tr>
<tr>
<td></td>
<td>36-40</td>
<td>57</td>
<td>13.5</td>
<td>42</td>
<td>9.9</td>
</tr>
<tr>
<td></td>
<td>41-45</td>
<td>56</td>
<td>13.3</td>
<td>77</td>
<td>18.1</td>
</tr>
<tr>
<td></td>
<td>46-50</td>
<td>53</td>
<td>12.6</td>
<td>49</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>51-55</td>
<td>11</td>
<td>2.6</td>
<td>77</td>
<td>18.1</td>
</tr>
<tr>
<td></td>
<td>Above 56</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
<td>100.0</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Malay</td>
<td>258</td>
<td>61.3</td>
<td>377</td>
<td>88.7</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>120</td>
<td>28.5</td>
<td>27</td>
<td>6.4</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>39</td>
<td>9.3</td>
<td>21</td>
<td>4.9</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>4</td>
<td>1.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
<td>100.0</td>
</tr>
<tr>
<td>Religion</td>
<td>Islam</td>
<td>258</td>
<td>61.3</td>
<td>377</td>
<td>88.7</td>
</tr>
<tr>
<td></td>
<td>Christianity</td>
<td>41</td>
<td>9.7</td>
<td>32</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td>Hinduism</td>
<td>28</td>
<td>6.7</td>
<td>16</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Buddhism</td>
<td>91</td>
<td>21.6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Sikh</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>3</td>
<td>0.7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
<td>100.0</td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td>116</td>
<td>27.6</td>
<td>66</td>
<td>15.5</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>298</td>
<td>70.8</td>
<td>353</td>
<td>83.1</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>7</td>
<td>1.7</td>
<td>6</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Separated</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Widowed</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
<td>100.0</td>
</tr>
<tr>
<td>Highest education</td>
<td>SPM</td>
<td>46</td>
<td>10.9</td>
<td>166</td>
<td>39.1</td>
</tr>
<tr>
<td></td>
<td>STPM</td>
<td>37</td>
<td>8.8</td>
<td>22</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>85</td>
<td>20.2</td>
<td>21</td>
<td>4.9</td>
</tr>
<tr>
<td></td>
<td>Bachelor degree</td>
<td>216</td>
<td>51.3</td>
<td>131</td>
<td>30.8</td>
</tr>
<tr>
<td></td>
<td>Master's degree</td>
<td>35</td>
<td>8.3</td>
<td>79</td>
<td>18.6</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>2</td>
<td>0.5</td>
<td>6</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The majority of participants in the final samples of both banks were female, the proportion being higher for the government-owned bank (N=279, 65.6%) than the private bank (N=239, 56.8%). With respect to age, two age groups (26 to 30 years and 31 to 35 years) in the private bank had almost equal numbers of participants (N=108 and N=109) and together made up a majority of participants (51.6%). In the government-owned bank, three
age groups (26 to 30 years, 41 to 45 years and 51 to 55 years) had equal numbers of participants \( N=77 \) and together these comprised 54.3% of the sample. Specifically, this indicates that participants in the private bank were on the whole younger than in the government-owned bank. It is also to be noted that distribution across the age range was less even in the private bank than in the government-owned bank, where approximately equal numbers of participants fell into to each of the age groups. Having said that, the demographics of gender and age were assumed to be representative of the workforce under study, considering the relatively even number of participants falling into each category by gender and age.

In terms of ethnicity, a large majority of private bank respondents were Malays \( N=258, 61.3\% \) followed by Chinese \( N=120, 28.5\% \), Indians \( N=39, 9.3\% \) and others \( N=4, 1\% \). In the government-owned bank, Malays formed an even larger majority \( N=377, 88.7\% \), followed by Chinese \( N=27, 6.4\% \) and Indians \( N=21, 4.9\% \). The predominance of Malays is not surprising, as they form the largest ethnic group in Malaysia (Shafii, Abiddin & Ahmad, 2009). The trends in the religious data roughly followed those for ethnicity: a large majority of participants were Muslims in both the private \( N=258, 61.3\% \) and government-owned banks \( N=377, 88.7\% \). As Malaysia is strongly dominated by Islam, the sole religion of the Malays (Mohamad, 2002), it was expected that the numbers of Muslims would in both cases be the same as those of Malays. Other religions reported in the private bank were Buddhism \( N=91, 21.6\% \), Christianity \( N=41, 9.7\% \), Hinduism \( N=28, 6.7\% \) and others \( N=3, 0.7\% \), while for the government-owned bank only two other religions were reported: Christianity \( N=32, 7.5\% \) and Hinduism \( N=16, 3.8\% \).

For the personal demographic of marital status, it was revealed that most participants were married in both private \( N=298, 70.8\% \) and government-owned banks \( N=353, 83.1\% \). The next most frequent response was ‘single’, more so for the private bank \( N=116, 27.6\% \) than the government-owned bank \( N=66, 15.5\% \). Only a small proportion of participants were divorcees \( N=7, 1.7\% \) and \( N=6, 1.4\% \) respectively.

In terms of highest educational qualification, a majority of participants in the private bank had a bachelor degree \( N=216, 51.3\% \), with diploma holders being the next largest group \( N=85, 20.2\% \). Other highest qualifications reported in the private bank were Certificate of Education (SPM, i.e. a qualification obtained at secondary school; \( N=46, 10.9\% \),
Malaysia Higher School Certificate (STPM, i.e. post-secondary qualification; N=37, 8.8%) and master's degree (N=35, 8.3%). On the other hand, most participants in the government-owned bank reported SPM (N=166, 39.1%) as their highest educational qualification. Bachelor degree was indicated as the next largest group (N=131, 30.8%), followed by master's degree (N=79, 18.6%), STPM (N=22, 5.2%), diploma (N=21, 4.9%) and others (N=6, 1.4%). The fact that half of the private bank participants held bachelor degrees signifies the good educational level of its employees. Taking into consideration the two degree categories, i.e. bachelor and master, almost half (49.4%) of participants in the government-owned bank were also graduates; thus, it can be said that the whole sample was well educated.

5.5.2 Organisational demographic information

Table 5.14 lists the organisational demographic information given by participants, which is analysed below.
Table 5.14: Organisational demographic information

<table>
<thead>
<tr>
<th>Organisational demographics</th>
<th>Category</th>
<th>Private (N=421)</th>
<th>Government-owned (N=425)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td>Job position</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle management</td>
<td>158</td>
<td>37.5</td>
<td>106</td>
</tr>
<tr>
<td>Lower management</td>
<td>217</td>
<td>51.5</td>
<td>112</td>
</tr>
<tr>
<td>Clerical</td>
<td>44</td>
<td>10.5</td>
<td>191</td>
</tr>
<tr>
<td>Non-clerical</td>
<td>0</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>0.5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
</tr>
<tr>
<td>Department</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resource</td>
<td>71</td>
<td>16.9</td>
<td>100</td>
</tr>
<tr>
<td>Finance</td>
<td>58</td>
<td>13.8</td>
<td>69</td>
</tr>
<tr>
<td>Marketing/Sales</td>
<td>161</td>
<td>38.2</td>
<td>96</td>
</tr>
<tr>
<td>Risk management</td>
<td>34</td>
<td>8.1</td>
<td>53</td>
</tr>
<tr>
<td>Information technology</td>
<td>0</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Treasury</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Legal</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>97</td>
<td>23</td>
<td>96</td>
</tr>
<tr>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
</tr>
<tr>
<td>Length of service in current department</td>
<td>Less than one year</td>
<td>98</td>
<td>23.3</td>
</tr>
<tr>
<td></td>
<td>1-5 years</td>
<td>191</td>
<td>45.4</td>
</tr>
<tr>
<td></td>
<td>6-10 years</td>
<td>57</td>
<td>13.5</td>
</tr>
<tr>
<td></td>
<td>11-15 years</td>
<td>36</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>16-20 years</td>
<td>36</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>21-25 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>26-30 years</td>
<td>3</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Over 30 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
</tr>
<tr>
<td>Length of service in current job position</td>
<td>Less than one year</td>
<td>66</td>
<td>15.7</td>
</tr>
<tr>
<td></td>
<td>1-5 years</td>
<td>176</td>
<td>41.8</td>
</tr>
<tr>
<td></td>
<td>6-10 years</td>
<td>75</td>
<td>17.8</td>
</tr>
<tr>
<td></td>
<td>11-15 years</td>
<td>59</td>
<td>14.0</td>
</tr>
<tr>
<td></td>
<td>16-20 years</td>
<td>41</td>
<td>9.7</td>
</tr>
<tr>
<td></td>
<td>21-25 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>26-30 years</td>
<td>4</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Over 30 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>421</td>
<td>100.0</td>
<td>425</td>
</tr>
</tbody>
</table>
With respect to job position, a small majority of private bank participants were at lower management level (N=217, 51.5%), with middle management being the second largest group (N=158, 37.5%), followed by clerical (N=44, 10.5%) and others (N=2, 0.5%). In the government-owned bank, the largest group of participants was the clerical workers (N=191, 44.9%), followed by roughly equal numbers in lower management (N=112, 26.4%) and middle management (N=106, 24.9%). There was also a small non-clerical group (N=16, 3.8%). It is worth noting that together the two management categories represented the majority of participants in both the private (N=375, 89.0%) and the government-owned bank (N=218, 51.3%). Having said that, the fact should not be ignored that clerical employees were strongly represented in the government-owned bank. This issue will be deliberated during the discussion in Chapter 7 to consider any possible influence of this distribution on the findings.

Five departments were represented by private bank participants: human resources (N=71, 16.9%), finance (N=58, 13.8%), marketing and sales (N=161, 38.2%), risk management (N=34, 8.1%) and others (N=97, 23.0%), with marketing and sales being the largest group. As previously mentioned (see section 4.5.3), ‘others’ denoted the credit administration department, which was identified in this way because access had been granted only to these five departments. As for the government-owned bank, a quarter of respondents were in the human resources department (N=100, 23.5%), followed by marketing and sales and by others, with equal numbers of participants (N=96, 22.6%), then finance (N=69, 16.2%),

<table>
<thead>
<tr>
<th>Length of service with the bank (organisational tenure)</th>
<th>Less than one year</th>
<th>1-5 years</th>
<th>6-10 years</th>
<th>11-15 years</th>
<th>16-20 years</th>
<th>21-25 years</th>
<th>26-30 years</th>
<th>Over 30 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57</td>
<td>138</td>
<td>74</td>
<td>62</td>
<td>48</td>
<td>29</td>
<td>13</td>
<td>0</td>
<td>421</td>
</tr>
<tr>
<td></td>
<td>13.5</td>
<td>32.8</td>
<td>17.6</td>
<td>14.7</td>
<td>11.4</td>
<td>6.9</td>
<td>3.1</td>
<td>0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>119</td>
<td>19</td>
<td>85</td>
<td>23</td>
<td>32</td>
<td>87</td>
<td>31</td>
<td>425</td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>28.0</td>
<td>4.5</td>
<td>20.0</td>
<td>5.4</td>
<td>7.5</td>
<td>20.5</td>
<td>7.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total working experience</th>
<th>Less than one year</th>
<th>1-5 years</th>
<th>6-10 years</th>
<th>11-15 years</th>
<th>16-20 years</th>
<th>21-25 years</th>
<th>26-30 years</th>
<th>Over 30 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>100</td>
<td>110</td>
<td>71</td>
<td>64</td>
<td>47</td>
<td>20</td>
<td>4</td>
<td>421</td>
</tr>
<tr>
<td></td>
<td>1.2</td>
<td>23.8</td>
<td>26.1</td>
<td>16.9</td>
<td>15.2</td>
<td>11.2</td>
<td>4.8</td>
<td>1.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>102</td>
<td>29</td>
<td>75</td>
<td>28</td>
<td>55</td>
<td>81</td>
<td>55</td>
<td>425</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>24.0</td>
<td>6.8</td>
<td>17.6</td>
<td>6.6</td>
<td>12.9</td>
<td>19.1</td>
<td>12.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

181
risk management ($N=53, \ 12.5\%)$ and information technology ($N=11, \ 2.6\%).$ As the questionnaires were distributed by the human resources department of the government-owned bank (section 4.5.3), the ‘others’ category in the case of the government-owned bank legitimately represented departments other than those specified in the options provided in the questionnaire. Participants were asked to indicate their department if they selected this option, but only a small number of participants did so, whilst many selected ‘others’ without specifying the name of the department. Among those identified were the departments of research, central purchasing, special projects, compliance, audit, business banking and corporate communications.

Responses for length of service in the current department indicate that many participants had been in the same department for five years or less. In the private bank, the one to five years category ($N=191, \ 45.4\%)$ was the largest group, with less than one year ($N=98, \ 23.3\%)$ as the second largest. Together, these two groups constituted two-thirds ($N=289, \ 68.7\%)$ of private bank participants. These two groups ($N=138, \ 32.5\% \text{ and } N=140, \ 32.9\%$ respectively) together represented about the same proportion ($N=278, \ 65.4\%)$ in the government-owned bank.

In reporting length of service in their current position, the largest number of participants indicated that they had been in their jobs between one to five years in the private ($N=176, \ 41.8\%)$ and government-owned ($N=138, \ 32.5\%)$ banks. It is noted that there were no participants in two categories of length of service in current position in the case of the private bank (i.e. 21 to 25 years and over 30 years). In the government-owned bank, however, there were participants in every category.

With respect to length of service with the bank (i.e. organisational tenure), the largest number of participants had been with the bank for one to five years for both private ($N=138, \ 32.8\%)$ and government-owned banks ($N=119, \ 28.0\%). The next largest group had been at the private bank for six to ten years ($N=74, \ 17.6\%)$ and at the government-owned bank for 26 to 30 years ($N=85, \ 21.7\%). Interestingly, there were participants who had been with the government-owned bank for a very long time, with considerable numbers of participants recording over 30 years ($N=31, \ 7.3\%).$ However, none was reported for the ‘over 30 years’ category in the case of the private bank. Overall, there were more senior participants from the government-owned bank than the private bank. This
may be relevant in explaining the findings later, particularly if differences are found between the two banks.

As for total working experience, many participants in the private bank (N=110, 26.1%) indicated that they had overall working experience of six to ten years. The next largest proportion of participants reported one to five years (N=100, 23.8%) of working experience for the private bank and 11 to 15 years (N=75, 17.6%) for the government-owned bank. Furthermore, it was observed that considerably more participants from the government-owned bank than from the private bank had lengthy working experience: more participants reported total experience of 21 to 25 years, 26 to 30 years, and over 30 years for the government-owned bank (N=55, 12.9%, N=81, 19.1%, N=55, 12.9% respectively) than for the private bank (N=47, 11.2%, N=20, 4.8%, N=4, 1.0% respectively). This indicates that there were more experienced participants from the government-owned bank than the private bank. Similar to length of service (i.e. organisational tenure), this will be picked up again in the discussion, where it could be pertinent in understanding the findings.

Having described the demographic information provided by participants from the two banks, attention now turns to the responses to questionnaire items addressing the objectives of the study. Each of the following sections reports the results of hypothesis testing performed in respect of one of the five research objectives associated with the questionnaire.

5.6 Objective one: To determine the differences in employee empowerment between private and government-owned banks

Objective one was to investigate the differences in employee empowerment between the two banks participating in the study. Based on the literature review, hypothesis one (H1) was formulated in relation to objective one:

H1: There is a difference in employee empowerment between private and government-owned bank.
To this end, the independent samples t-test was employed to test the hypothesis. This is a parametric statistical test that is used to compare the mean scores of two groups of subjects (Brace et al., 2006; Field, 2009; Lewis-beck, Bryman & Liao, 2004c), in this case participants from the two banks. An important consideration when using this test is the equality of variance within the samples, which must be assessed when interpreting the results (Crozier, 2009). To test that the variability of scores for each of the groups was similar, Levene’s test had to be performed in addition to the independent samples t-test in order to assess the significance (Pallant, 2007). SPSS provides two measures of significance with respect to Levene’s test to determine whether the variance is equal (Crozier, 2009; Pallant, 2007). Furthermore, the outcome of Levene’s test determines which of the t-values that SPSS provides is appropriate for the data (Pallant, 2007). Thus, for each independent samples t-test conducted in the study, Levene’s test was also performed accordingly.

Another important consideration with respect to the use of the independent samples t-test is that its measure of significance, the t-statistic, does not indicate whether the effect is meaningful or important in practical terms (Field, 2009). To discover whether the effect is substantive, a measurement known as effect size should be utilised (Field, 2009; Pallant, 2007). Tabachnick and Fidell (2007) describe effect size as a set of statistics indicating the relative magnitude of the differences between means, or the amount of the total variance in the dependent variable that is predictable from knowledge of the levels of the independent variable. Tabachnick and Fidell (2007) further point out that statistical significance testing assesses the reliability of the association between the independent variable and dependent variable, whilst effect size measures how much association there is between independent variable and dependent variable. Many measures of effect size have been proposed. Among them are eta squared, Cohen’s $d$, Pearson’s correlation $r$ and the odds ratio, with eta squared and Cohen’s $d$ being the most common measures (Cohen, 1988; Field, 2009; Pallant, 2007; Tabachnick & Fidell, 2007). For the purpose of the present study, eta squared was preferred, due to the availability of the formula and the ease of interpreting the results. Pallant (2007) gives the formula for eta squared as follows:

$$\text{Eta squared} = \frac{\hat{\eta}^2}{\hat{\eta}^2 + (N1 + N2 - 2)}$$

where: $\hat{\eta}$ = t-statistic

$N$ = number of samples
Cohen (1988) offers some guidelines for interpreting the eta squared statistics, whereby 0.01 represents a small effect, 0.06 a moderate effect and 0.14 a large effect.

Levene’s test for equality of variance revealed a p-value of 0.000, which means that the variances for the two groups (private and government-owned banks) were not the same. Corresponding to this, the t-value provided for ‘equal variances not assumed’ was used to report the t-values for the independent samples t-test.

Table 5.15 presents the results of the independent samples t-test conducted for objective one.

<table>
<thead>
<tr>
<th>Scale</th>
<th>T statistic (t)</th>
<th>Degree of freedom (df)</th>
<th>Significance level (p) two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>9.182</td>
<td>813.697</td>
<td>p&lt;0.001</td>
</tr>
</tbody>
</table>

As can be seen in Table 5.15, there was a statistically significant difference between the banks with respect to empowerment (t=9.182, df=813.697, p<0.001), whereby employees of the private bank (M=5.56, SD=0.66) reported more perceived empowerment than those of the government-owned bank (M=5.10, SD=0.81). The result is consistent with the expectation expressed at the beginning of the study that a difference of perceived empowerment would be reported across the two participating banks; thus hypothesis 1 is supported. Eta squared was 0.09, indicating a moderate effect size where the difference had modest practical significance.

5.7 Objective two: To determine differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position

Objective two was to examine the difference in employee empowerment across the demographic categories of age, gender, ethnicity, organisational tenure and job position in the two participating banks. The following hypotheses are set out in conjunction with objective two:
H2a: Older employees will perceive higher empowerment than younger ones.
H2b: Females will perceive higher empowerment than males.
H2c: Members of the majority ethnic group will perceive higher empowerment than members of minorities.
H2d: Employees with longer tenure will perceive higher empowerment than those with shorter tenure.
H2e: Employees with higher job positions will perceive greater empowerment than those in lower job positions.

In addition to the independent samples t-test, ANOVA was used in addressing objective two (Brace et al., 2006; Field, 2009; Lewis-Beck et al., 2004c; Pallant, 2007). Whilst the independent samples t-test is used to compare the mean scores of two groups of subjects, ANOVA is used to compare the mean scores of more than two groups (Field, 2009; Pallant, 2007). Similar to the independent samples t-test, Levene’s test and effect size statistics were also used in relation to ANOVA (Field, 2009; Pallant, 2007; Tabachnick & Fidell, 2009). However, a different formula was used to derive the effect size statistic in ANOVA. Pallant (2007) gives the following formula for effect size:

\[
\text{Eta squared} = \frac{\text{Sum of squares between-groups}}{\text{Total sum of squares}}
\]

The values for sum of squares between-groups and total sum of squares were obtained from the ANOVA results. The guideline for interpreting the effect size for ANOVA is similar to the one discussed for the independent samples t-test (see section 5.6).

To ease understanding, the results for the testing of each hypothesis are discussed in a separate sub-section below.

5.7.1 H2a: Older employees will perceive higher empowerment than younger ones

An independent samples t-test was employed to investigate this hypothesis for the private bank, whilst for the government-owned bank, ANOVA was used instead. Different statistical tests were used for the two groups because of the wide variation between the age groups in the case of the private bank. According to Pallant (2007), if there are only a few
people in a sample who fall into a particular category, it is best to remove them or to recode them and combine one category with the next, as a category with a small number of members cannot be appropriately used in many statistical analyses. Thus, the eight age groups in the private bank were collapsed into two in order to ensure that the sample was fit for statistical analysis. Table 5.16 shows the results, forming one group of 35 years and below and another of over 35 years.

Table 5.16: Collapsing the age categories for the private bank sample

<table>
<thead>
<tr>
<th>Original category</th>
<th>Sample (N)</th>
<th>Decision</th>
<th>New category</th>
<th>Sample (N)</th>
<th>Mean (M)</th>
<th>Standard deviation (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25</td>
<td>27</td>
<td>Collapsed</td>
<td>35 years and below</td>
<td>244</td>
<td>5.53</td>
<td>0.68</td>
</tr>
<tr>
<td>26-30</td>
<td>108</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31-35</td>
<td>109</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36-40</td>
<td>57</td>
<td>Collapsed</td>
<td>Above 35 years</td>
<td>177</td>
<td>5.61</td>
<td>0.62</td>
</tr>
<tr>
<td>41-45</td>
<td>56</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46-50</td>
<td>53</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51-55</td>
<td>11</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>56 and above</td>
<td>0</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>421</td>
<td></td>
<td></td>
<td>421</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 5.16, two groups of roughly equal size were thus formed, containing 244 and 177 members respectively. A cut-off of 35 years was selected because a majority of participants at the private bank were below that age. Although the threshold between younger and older employees is not fixed (De Lange et al., 2009), this was consistent with a study by De Lange et al. (2006), who used 35 years as the cut-off point to differentiate between younger and middle-aged employees. Their study also identified an older group, over 50 years old, but very few employees (a total of 11) were as old as this in the present study; therefore they were included with all other employees of that bank over 35.

Table 5.17 shows the result of the independent samples t-test conducted for the private bank.

Table 5.17: Independent samples t-test for empowerment difference across age groups in private bank

<table>
<thead>
<tr>
<th>Scale</th>
<th>T statistic (t)</th>
<th>Degree of freedom (df)</th>
<th>Significance level (p) two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>-1.170</td>
<td>419</td>
<td>p=0.24</td>
</tr>
</tbody>
</table>
The results in Table 5.17 reveal that there was no significant difference between the two age groups in the private bank for the scale of empowerment ($t=-1.170$, $df=419$, $p=0.24$). It is important to recognise that the $t$-value reported in Table 5.17 was obtained from Levene’s test, which revealed a $p$-value greater than a cutoff point of 0.05 (Pallant, 2007), indicating that the variation of scores for the two age groups (over 35 years and 35 years and below) was the same. No effect size was computed due to the insignificant difference revealed.

As not much variance was discovered for age groups in the government-owned bank, the original age groups were retained for the ANOVA (see Table 5.18), whose results are given in Table 5.19.

**Table 5.18: Age categories for the government-owned bank sample**

<table>
<thead>
<tr>
<th>Age category</th>
<th>Sample (N)</th>
<th>Mean (M)</th>
<th>Standard deviation (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25</td>
<td>42</td>
<td>4.43</td>
<td>0.96</td>
</tr>
<tr>
<td>26-30</td>
<td>77</td>
<td>4.89</td>
<td>0.70</td>
</tr>
<tr>
<td>31-35</td>
<td>61</td>
<td>4.73</td>
<td>0.87</td>
</tr>
<tr>
<td>36-40</td>
<td>42</td>
<td>5.44</td>
<td>0.36</td>
</tr>
<tr>
<td>41-45</td>
<td>77</td>
<td>4.91</td>
<td>0.82</td>
</tr>
<tr>
<td>46-50</td>
<td>49</td>
<td>5.44</td>
<td>0.58</td>
</tr>
<tr>
<td>51-55</td>
<td>77</td>
<td>5.76</td>
<td>0.63</td>
</tr>
<tr>
<td>Total</td>
<td>425</td>
<td>5.10</td>
<td>0.81</td>
</tr>
</tbody>
</table>

**Table 5.19: ANOVA for empowerment difference across age groups in government-owned bank**

<table>
<thead>
<tr>
<th>Scale</th>
<th>F statistic</th>
<th>Degree of freedom ($df$)</th>
<th>Significance level ($p$) two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>29.722</td>
<td>418</td>
<td>$p&lt;0.001$</td>
</tr>
</tbody>
</table>

The table shows a statistically significant difference for the empowerment scores across the age groups in the government-owned bank ($F(6,418)=29.722$, $p<0.001$), where the oldest age group, i.e. 51 to 55 years, reported the highest perceived empowerment ($M=5.76$, $SD=0.63$), whilst the youngest age group, i.e. below 25 years, reported the lowest perceived empowerment ($M=4.43$, $SD=0.96$).

Meanwhile, post-hoc comparisons drawing on Tukey’s HSD test indicate a major difference in mean scores between the age group of below 25 years ($M=4.43$, $SD=0.96$) and those of 26 to 30 years ($M=4.89$, $SD=0.70$), 36 to 40 years ($M=5.44$, $SD=0.36$), 41 to
45 years ($M=4.91$, $SD=0.82$), 46 to 50 years ($M=5.44$, $SD=0.58$) and 51 to 55 years ($M=5.76$, $SD=0.63$). There was also a major difference between the age group of 26 to 30 ($M=4.89$, $SD=0.70$) and those of 36 to 40 ($M=5.44$, $SD=0.36$), 46 to 50 ($M=5.44$, $SD=0.58$) and 51 to 55 years ($M=5.76$, $SD=0.63$). $\eta^2$ was calculated as 0.28, indicating a large effect size well above the threshold of 0.14 (Cohen, 1988); thus the findings for the empowerment difference across age groups in the government-owned bank represents a substantive finding, given the statistical significance and large effect size reported.

Looking into the contrasting results for the private and government-owned banks, it can be concluded that H2a is accepted for the latter but not for the former.

5.7.2 **H2b: Females will perceive higher empowerment than males**

Independent samples t-tests were used to investigate H2b in the two banks. The results are given in Table 5.20.

**Table 5.20: Independent samples t-test for empowerment differences across gender groups in private and government-owned banks**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Bank</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>$SD$</th>
<th>$t$</th>
<th>$df$</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>Private</td>
<td>Male</td>
<td>182</td>
<td>5.60</td>
<td>0.62</td>
<td>1.009</td>
<td>419</td>
<td>$p=0.31$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>239</td>
<td>5.54</td>
<td>0.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Government-owned</td>
<td>Male</td>
<td>146</td>
<td>5.37</td>
<td>0.87</td>
<td>4.902</td>
<td>254.345</td>
<td>$p&lt;0.001$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>279</td>
<td>4.96</td>
<td>0.73</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As illustrated in Table 5.20, in the private bank, there was no significant difference between males and females for the empowerment scale ($t=1.009$, $df=419$, $p=0.31$), although males ($M=5.60$, $SD=0.62$) perceived higher empowerment than females ($M=5.54$, $SD=0.68$). It is worth noting that the $t$-value reported here was obtained from Levene’s test, whose insignificant ($p=0.120$) result suggests that the variance between the gender groups was approximately equal. No effect size was computed, as the difference was not significant.

In the government-owned bank, by contrast, there was a statistically significant difference between males and females on the empowerment scale ($t=4.902$, $df=254.345$, $p<0.001$) whereby males ($M=5.37$, $SD=0.87$) perceived themselves to have higher empowerment.
than did their female counterparts \( (M=4.96, SD=0.73) \). Despite the statistically significant result, however, eta squared was calculated at 0.05, reflecting a small effect size. Hence, the finding appears to be of little practical importance. It should be noted that the t-value reported in the government-owned bank did not assume an equal variance between the genders as a result of Levene’s test, which produced a p-value of less than 0.05.

The results of the independent samples t-test reveal differences across the two banks. However, both results were contrary to the expectation set out at the beginning of the study, that females would perceive greater empowerment than males, since it was actually found that there was no difference across gender in the private bank, while males perceived greater empowerment than their female colleagues in the government-owned bank. Thus, H2b is not supported in the case of either bank.

### 5.7.3 H2c: Members of the majority ethnic group will perceive higher empowerment than members of minorities

As described earlier in section 5.5.1, for both banks, Malays were numerically dominant over other ethnic groups (Chinese, Indian and others). To minimise the large variation of sample size among the ethnic groups and to ensure that the sample was fit for statistical analysis (Pallant, 2007), the three smaller groups were merged and renamed Others. Therefore, there were only two ethnic groups for the purpose of statistical analysis: Malays and Others.

To investigate H2c, independent samples t-tests were employed. This was consistent with there being only two groups for both banks. Table 5.21 below details the results of the t-tests.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Bank</th>
<th>Ethnic group</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>Private</td>
<td>Malays</td>
<td>258</td>
<td>5.47</td>
<td>0.59</td>
<td>-3.762</td>
<td>419</td>
<td>p&lt;0.001</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>163</td>
<td>5.72</td>
<td>0.73</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Government-owned</td>
<td>Malays</td>
<td>377</td>
<td>5.06</td>
<td>0.84</td>
<td>-4.953</td>
<td>423</td>
<td>p&lt;0.001</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>48</td>
<td>5.42</td>
<td>0.40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In explaining Table 5.21, it is apparent that there was a statistically significant difference between the ethnic groups with respect to the empowerment scale in the private bank ($t=-3.762, df=419, p<0.001$), in that Others ($M=5.72, SD=0.73$) perceived themselves as more empowered than did Malays ($M=5.47, SD=0.59$). However, eta squared was only 0.03, which reflected a small effect size, suggesting that the difference had little practical significance. The t-value was obtained from Levene's test, which showed significant p-value ($p=0.045$), suggesting that equal variance is not assumed across the two ethnic groups.

Similarly, a statistically significant difference was found for the empowerment scale in the government-owned bank ($t=-4.953, df=423, p<0.001$), where Others ($M=5.42, SD=0.40$) again had higher perceived empowerment than did their Malay counterparts ($M=5.06, SD=0.84$). Eta squared was small at 0.05, indicating that the difference had little practical significance. Similar to the private bank, the t-value reported for the government-owned bank assumed that the variances between the ethnic groups were not equal, due to a significant p-value ($p=0.000$) reported by Levene’s test.

With respect to the expectations set out at the beginning of the study, the results for both the private and government-owned banks were contrary to the expectation that members of the majority group, i.e. Malays, would perceive higher empowerment than members of ethnic minorities, i.e. Others, indicating that H2c is not supported in either case.

5.7.4 **H2d: Employees with longer tenure will perceive higher empowerment than those with shorter tenure**

To examine H2d, ANOVA tests were conducted. Due to variation in the number of members of organisational tenure groups in both banks, many of the original groups were collapsed to form new groups. Table 5.22 shows the formation of new organisational tenure groups for the private bank.
Table 5.22: Collapsing the organisational tenure categories for the private bank

<table>
<thead>
<tr>
<th>Original category</th>
<th>Sample (N)</th>
<th>Decision</th>
<th>New category</th>
<th>Sample (N)</th>
<th>Mean (M)</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>57</td>
<td>Retained</td>
<td>Less than a year</td>
<td>57</td>
<td>5.61</td>
<td>0.79</td>
</tr>
<tr>
<td>1-5 years</td>
<td>138</td>
<td>Collapsed</td>
<td>1-10 years</td>
<td>212</td>
<td>5.48</td>
<td>0.58</td>
</tr>
<tr>
<td>6-10 years</td>
<td>74</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11-15 years</td>
<td>62</td>
<td>Collapsed</td>
<td>11-20 years</td>
<td>110</td>
<td>5.59</td>
<td>0.76</td>
</tr>
<tr>
<td>16-20 years</td>
<td>48</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-25 years</td>
<td>29</td>
<td>Collapsed</td>
<td>Over 20 years</td>
<td>42</td>
<td>5.85</td>
<td>0.43</td>
</tr>
<tr>
<td>26-30 years</td>
<td>13</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 30 years</td>
<td>0</td>
<td>Collapsed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>421</td>
<td></td>
<td></td>
<td>421</td>
<td>5.56</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Thus, only one original organisational tenure group, i.e. less than a year, was retained, given its fairly large number of members. To provide relatively equal numbers in all organisational groups, the other seven original groups were collapsed to form three new ones: 1 to 10 years, 11 to 20 years and over 20 years. The process was done in this way so that the two middle groups each had a range of ten years (1 to 10 years and 11 to 20 years).

ANOVA was then performed on the new organisational tenure groups and the results are shown in Table 5.23.

Table 5.23: ANOVA for empowerment differences across organisational tenure groups in the private bank

<table>
<thead>
<tr>
<th>Scale</th>
<th>F statistic</th>
<th>Degree of freedom (df)</th>
<th>Significance level (p) two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>7.552</td>
<td>417</td>
<td>p&lt;0.001</td>
</tr>
</tbody>
</table>

Table 5.23 indicates a statistically significant difference among the four organisational tenure groups with respect to the scale of empowerment (F(3,417)=7.552, p<0.001), where the group with longest tenure, i.e. over 20 years (M=5.85, SD=0.43), reported the highest perceived empowerment. Tukey’s HSD test showed that the major differences were between those with over 20 years tenure (M=5.85, SD=0.43) and those with 1 to 10 years (M=5.48, SD=0.58). Those with less than a year (M=5.61, SD=0.79) and 11 to 20 years tenure (M=5.59, SD=0.76), however, were not significantly different from any other group. Despite the statistical significance reported, eta squared was found to be only 0.03, which means that the effect size was small and the findings appear to be of little importance.
It is to be noted that the group with less than a year of tenure \((M=5.61, SD=0.79)\) had the next highest perceptions of empowerment after the group with over 20 years \((M=5.85, SD=0.43)\). It is likely that the results may be attributed to the high enthusiasm of the new recruits and the positive perceptions that they had of the new job, which may to some extent have influenced their perceptions of empowerment. Furthermore, at the beginning of the recruitment process, new employees are still learning and therefore eager to enjoy the new experience (which may include that of empowerment) offered by the new job. However, there was a dip in the empowerment score for the group with 1 to 10 years tenure \((M=5.48, SD=0.58)\), i.e. the next group chronologically after the new recruits \((M=5.61, SD=0.79)\). This result may again be associated with the positive perceptions and eagerness that that they had when first recruited. As they had worked for a while and gained experience in the job, their level of eagerness and enthusiasm may have weakened and this may have indirectly affected the way they perceived empowerment. However, when employees had been in the job for many years, their perceptions will have been different, as they will have been more mature and committed to their jobs, which will have influenced their levels of perceived empowerment. It is therefore not surprising that employees in the groups with longest tenure (11 to 20 years and over 20 years) perceived themselves as more empowered \((M=5.59, SD=0.76\) and \(M=5.85, SD=0.43\) respectively).

Meanwhile, in the government-owned bank, the original organisational tenure groups were collapsed into four new ones. As Table 5.24 shows, the four new groups, each formed from two original groups, were 5 years and below, 6 to 15 years, 16 to 25 years and 26 years and above.
Table 5.24: Collapsing the organisational tenure groups for the government-owned bank

<table>
<thead>
<tr>
<th>Original category</th>
<th>Sample (N)</th>
<th>Decision</th>
<th>New category</th>
<th>Sample (N)</th>
<th>Mean (M)</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>29</td>
<td>Collapsed</td>
<td>5 years and below</td>
<td>148</td>
<td>4.73</td>
<td>0.75</td>
</tr>
<tr>
<td>1-5 years</td>
<td>119</td>
<td>Collapsed</td>
<td>6-15 years</td>
<td>104</td>
<td>4.85</td>
<td>0.81</td>
</tr>
<tr>
<td>6-10 years</td>
<td>19</td>
<td>Collapsed</td>
<td>6-15 years</td>
<td>104</td>
<td>4.85</td>
<td>0.81</td>
</tr>
<tr>
<td>11-15 years</td>
<td>85</td>
<td>Collapsed</td>
<td>16-25 years</td>
<td>55</td>
<td>5.41</td>
<td>0.52</td>
</tr>
<tr>
<td>16-20 years</td>
<td>23</td>
<td>Collapsed</td>
<td>Over 30 years</td>
<td>118</td>
<td>5.64</td>
<td>0.62</td>
</tr>
<tr>
<td>21-25 years</td>
<td>32</td>
<td>Collapsed</td>
<td>Over 30 years</td>
<td>118</td>
<td>5.64</td>
<td>0.62</td>
</tr>
<tr>
<td>26-30 years</td>
<td>87</td>
<td>Collapsed</td>
<td>Over 30 years</td>
<td>118</td>
<td>5.64</td>
<td>0.62</td>
</tr>
<tr>
<td>Over 30 years</td>
<td>31</td>
<td>Collapsed</td>
<td>Over 30 years</td>
<td>118</td>
<td>5.64</td>
<td>0.62</td>
</tr>
<tr>
<td>Total</td>
<td>425</td>
<td></td>
<td></td>
<td>425</td>
<td>5.10</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Table 5.25 presents the results of the ANOVA test performed on these four new organisational tenure groups in the government-owned bank.

Table 5.25: ANOVA test for empowerment difference across organisational tenure groups in the government-owned bank

<table>
<thead>
<tr>
<th>Scale</th>
<th>F statistic</th>
<th>Degree of freedom (df)</th>
<th>Significance level (p) two-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>49.043</td>
<td>421</td>
<td>p&lt;0.001</td>
</tr>
</tbody>
</table>

These ANOVA results reveal a statistically significant difference for the empowerment scale between the tenure groups (F(3,421)=49.043, p<0.001), with the longest tenure category, i.e. 26 years and above, reporting the highest level of empowerment (M = 5.64, SD = 0.62). Eta squared was calculated as 0.24, reflecting a large effect size. Tukey’s HSD test indicated that the major difference was between tenure of five years and below (M = 4.73, SD = 0.75) and the groups with 16 to 25 years tenure (M = 5.41, SD = 0.52) and 26 years and above (M = 5.64, SD = 0.62). There was also a major difference between the group with 6 to 15 years tenure (M = 4.85, SD = 0.81) and those with 16 to 25 years (M = 5.41, SD = 0.52) and 26 years and above (M = 5.64, SD = 0.62).

Thus, hypothesis H2d, as set at the outset of the study, is supported by the finding that in both banks significant differences in empowerment were reported across the tenure categories, with the longest tenure category reporting the highest level of perceived empowerment.
5.7.5 **H2e: Employees with higher job positions will perceive greater empowerment than those in lower job positions**

ANOVA tests were conducted to investigate H2e. Table 5.26 shows the results for both banks.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Bank</th>
<th>Job positions</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>F</th>
<th>Drf</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>Private</td>
<td>Middle</td>
<td>158</td>
<td>5.55</td>
<td>0.71</td>
<td>0.149</td>
<td>418</td>
<td>p=0.86</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower</td>
<td>217</td>
<td>5.58</td>
<td>0.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clerical and below</td>
<td>46</td>
<td>5.54</td>
<td>0.42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government-owned</td>
<td>Middle</td>
<td>106</td>
<td>5.58</td>
<td>0.61</td>
<td>38.135</td>
<td>422</td>
<td>p&lt;0.001</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower</td>
<td>112</td>
<td>5.07</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clerical and below</td>
<td>207</td>
<td>4.87</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Before the details of the ANOVA results are presented, it is important to recall that in addition to the three job positions of middle management, lower management and clerical identified in the private bank, a fourth ‘others’ category was recognised. However, it was so small (N=2) that it was merged with the clerical group and renamed ‘clerical and below’. Similarly, in the case of the government-owned bank, a fourth category known as non-clerical was also merged with the clerical group because it was very small (N=16).

Table 5.26 shows no significant difference between the job positions for the empowerment scale (F(2,418)=0.149, p=0.86) in the private bank, where lower management (M = 5.58, SD = 0.66) had higher empowerment scores than those of middle management (M = 5.55, SD = 0.71) and the ‘clerical and below’ group (M = 5.54, SD = 0.42). No effect size was computed, because the difference was not significant.

In the government-owned bank, however, a statistically significant difference was discovered in empowerment scores across the job positions (F(2,422)=38.135, p<0.001), with eta squared of 0.24 (large effect size). It was also discovered that the middle management group (M = 5.58, SD = 0.61) experienced higher empowerment than the lower management (M = 5.07, SD = 0.67) and clerical and below (M = 4.87, SD = 0.86) groups. Tukey’s HSD test revealed a major difference between the mean score for middle
management ($M = 5.58, SD = 0.61$) and those for lower management ($M = 5.07, SD = 0.67$) and clerical and below ($M = 4.87, SD = 0.86$).

The results for the private bank conflicted with the expectations of the study (H2e is not supported). In contrast, those for the government-owned bank supported these expectations in that there were differences in empowerment across job positions, whereby people in higher job positions perceived greater empowerment than those in lower positions (H2e is supported).

5.8 Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)

The third research objective was to investigate the relationship between empowerment and leadership behaviour, where a distinction was made between transformational and empowering leadership. H3a was formulated in relation to objective three as follows:

H3a: Empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

Several other hypotheses were also formulated to identify the relationship between each facet of empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership). The hypotheses are as follows:

H3b: The meaning facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

H3c: The impact facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

H3d: The self-determination facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)

H3e: The competence facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)
These hypotheses were addressed using hierarchical multiple regression, an analysis tool based upon correlation but which allows a more sophisticated examination of the interrelationship between a set of variables (Bryman, 2008; De Vaus, 1998; Field, 2009; Lewis-beck, Bryman & Liao, 2004a). This required the making of several important assumptions: of normality, linearity (i.e. that the relationship between the two variables is represented by a straight line), homoscedasticity (i.e. the variability in scores for variable X is similar at all values of variable Y) and multicollinearity (i.e. there is a strong correlation between two or more predictors in a regression model) (Field, 2009). Investigation of standardised residuals plotted against standardised predicted values shows that the points were randomly and evenly dispersed throughout the plot, suggesting that the assumptions of linearity and homoscedasticity were upheld. Inspection of a histogram and a normal probability plot revealed that the data was fairly normally distributed, while the VIF values were all well below 10 and the tolerance statistics all well above 0.2. These results are indicative of non-violation of the normality, linearity, homoscedasticity and multicollinearity assumptions.

As a bare minimum, the standardised betas, their significance values and some general statistics about the model such as $R^2$ should be reported when presenting the results of multiple regression (Field, 2009; Pallant, 2007). A similar format of presentation will therefore be applied here.

Table 5.27: Hierarchical regression analysis for empowerment and transformational leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.849</td>
</tr>
<tr>
<td></td>
<td>Bank type</td>
<td>-0.303</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>-0.305</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td>Ethnicity</td>
<td>0.129</td>
</tr>
<tr>
<td></td>
<td>Job position employee</td>
<td>-0.071</td>
</tr>
<tr>
<td></td>
<td>Organisational tenure</td>
<td>0.040</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>1.108</td>
</tr>
<tr>
<td></td>
<td>Bank type</td>
<td>-0.066</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>-0.268</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>0.18</td>
</tr>
<tr>
<td></td>
<td>Ethnicity</td>
<td>0.048</td>
</tr>
<tr>
<td></td>
<td>Job position employee</td>
<td>-0.038</td>
</tr>
<tr>
<td></td>
<td>Organisational tenure</td>
<td>-0.002</td>
</tr>
<tr>
<td></td>
<td>Empowerment</td>
<td>0.484</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001
Note: $R^2$=0.16 for Step 1, $\Delta R^2$=0.16 for Step 2 (p<0.001)
Using the hierarchical regression analysis (enter method), the bank type and demographic variables of age, gender, ethnicity, organisational tenure and job position were entered in the first step and empowerment in the second step. As shown in Table 5.27, empowerment explained an additional 16% of the variance in transformational leadership, after controlling for bank type and demographic factors \( \Delta R^2 = 0.16, \Delta F (1,838) = 202.69, p < 0.001 \). Empowerment was also found to explain an additional 10% of the variance in empowering leadership, after controlling for similar factors \( \Delta R^2 = 0.10, \Delta F (1,838) = 114.38, p < 0.001 \) (Table 5.28).

Empowerment was hypothesised to be positively related to leadership behaviour and the results do illustrate a positive significant relationship between the two, this being true for both transformational and empowering leadership, with a higher beta value for the former \( (\beta = 0.46, p < 0.001) \) than the latter \( (\beta = 0.37, p < 0.001) \). Hence, H3a is supported for the two leadership behaviours.
Table 5.29: Hierarchical regression analysis for facets of empowerment and transformational leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.849</td>
<td>.166</td>
</tr>
<tr>
<td>Bank type</td>
<td>-.303</td>
<td>.060</td>
</tr>
<tr>
<td>Gender</td>
<td>-.305</td>
<td>.057</td>
</tr>
<tr>
<td>Age</td>
<td>.033</td>
<td>.026</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>.129</td>
<td>.044</td>
</tr>
<tr>
<td>Job position employee</td>
<td>-.071</td>
<td>.036</td>
</tr>
<tr>
<td>Organisational tenure</td>
<td>.040</td>
<td>.022</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.588</td>
<td>.276</td>
</tr>
<tr>
<td>Bank type</td>
<td>-.088</td>
<td>.059</td>
</tr>
<tr>
<td>Gender</td>
<td>-.258</td>
<td>.052</td>
</tr>
<tr>
<td>Age</td>
<td>.018</td>
<td>.024</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>.065</td>
<td>.040</td>
</tr>
<tr>
<td>Job position employee</td>
<td>-.050</td>
<td>.033</td>
</tr>
<tr>
<td>Organisational tenure</td>
<td>.001</td>
<td>.020</td>
</tr>
<tr>
<td>Meaning</td>
<td>.136</td>
<td>.025</td>
</tr>
<tr>
<td>Competence</td>
<td>-.028</td>
<td>.037</td>
</tr>
<tr>
<td>Self-determination</td>
<td>.127</td>
<td>.032</td>
</tr>
<tr>
<td>Impact</td>
<td>.171</td>
<td>.026</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001

Note: R²=0.16 for Step 1, ΔR²=0.16 for Step 2 (p<0.001)

For those hypotheses concerning the various facets of empowerment and leadership behaviour, the same procedures were applied as in testing H3a. In the first step, through the enter method of hierarchical regression analysis, bank type and the demographic variables of age, gender, ethnicity, organisational tenure and job position were entered. The empowerment facets of meaning, competence, self-determination and impact were then entered in the second step. As shown in Table 5.29, the four facets of empowerment explained an additional 16% of the variance in transformational leadership, after controlling for bank type and demographic factors [ΔR²=0.16, ΔF (4,835)=49.67, p<0.001]. Only three facets of empowerment, i.e. meaning, self-determination and impact, were positively and significantly associated with transformational leadership, with impact recording the highest beta value (β=0.24, p<0.001), followed by meaning (β=0.20, p<0.001) and self-determination (β=0.14, p<0.001). H3b, H3c and H3d are therefore accepted, whereas H3e was rejected, given the insignificant and inverse relationship of competence to transformational leadership.
The results of the hierarchical regression analysis for the facets of empowerment and empowering leadership are presented in Table 5.30.

Table 5.30: Hierarchical regression analysis for facets of empowerment and empowering leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.970</td>
<td>.132</td>
</tr>
<tr>
<td>Bank type</td>
<td>-2.242</td>
<td>.048</td>
</tr>
<tr>
<td>Gender</td>
<td>-.229</td>
<td>.045</td>
</tr>
<tr>
<td>Age</td>
<td>.048</td>
<td>.021</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>.028</td>
<td>.035</td>
</tr>
<tr>
<td>Job position employee</td>
<td>-.062</td>
<td>.029</td>
</tr>
<tr>
<td>Organisational tenure</td>
<td>.008</td>
<td>.017</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.815</td>
<td>.228</td>
</tr>
<tr>
<td>Bank type</td>
<td>-1.143</td>
<td>.049</td>
</tr>
<tr>
<td>Gender</td>
<td>-.205</td>
<td>.043</td>
</tr>
<tr>
<td>Age</td>
<td>.042</td>
<td>.020</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>-.007</td>
<td>.033</td>
</tr>
<tr>
<td>Job position employee</td>
<td>-.040</td>
<td>.027</td>
</tr>
<tr>
<td>Organisational tenure</td>
<td>-.018</td>
<td>.017</td>
</tr>
<tr>
<td>Meaning</td>
<td>.040</td>
<td>.020</td>
</tr>
<tr>
<td>Competence</td>
<td>-.062</td>
<td>.030</td>
</tr>
<tr>
<td>Self-determination</td>
<td>.095</td>
<td>.026</td>
</tr>
<tr>
<td>Impact</td>
<td>.147</td>
<td>.021</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001

Note: R²=0.14 for Step 1, ∆R²=0.11 for Step 2 (p<0.001)

It was observed that the four facets of empowerment explained an additional 11% of the variance in transformational leadership, after controlling for bank type and demographic factors [AR²=0.11, ∆F (4,835)=30.10, p<0.001]. Like the results reported for transformational leadership, the same three facets of empowerment (i.e. meaning, self-determination and impact) were found to be positively and significantly associated with empowerment, with impact once again recording the highest beta value (β=0.26, p<0.001), followed by self-determination (β=0.14, p<0.001), then meaning and impact, with identical beta and significance values (β=0.07, p<0.05). According to these results, the three hypotheses (H3b, H3c and H3d) concerning the relationships between facets of empowerment and empowering leadership are supported; H3e was rejected, given the inverse relationship of competence to empowering leadership.
5.9 Objective four: To ascertain the relationship between empowerment and intrinsic motivation

Objective four was formulated to find out whether there was any relationship between empowerment and intrinsic motivation and it was hypothesised that empowerment is positively related to intrinsic motivation (H4). This hypothesis was tested through the application of hierarchical multiple regression (De Vaus, 1998; Field, 2009; Lewis-Beck et al., 2004a), following the steps undertaken in addressing H3. Preliminary analysis to ensure non-violation of the assumptions of normality, linearity, homoscedasticity and multicollinearity were again completed prior to the analysis (Pallant, 2007; Tabachnick & Fidell, 2007). The preliminary analysis revealed that these assumptions were not violated.

Through the enter method, bank type and the demographic factors of gender, age, ethnicity, job position and organisational tenure were entered in the first step, representing the control variables in the analysis, then empowerment was entered in the second step. The result of the regression analysis is given in Table 5.31.

Table 5.31: Hierarchical regression analysis for empowerment and intrinsic motivation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.483</td>
</tr>
<tr>
<td></td>
<td>Bank type</td>
<td>-.278</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>.105</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>.029</td>
</tr>
<tr>
<td></td>
<td>Ethnicity</td>
<td>.049</td>
</tr>
<tr>
<td></td>
<td>Job position employee</td>
<td>-.092</td>
</tr>
<tr>
<td></td>
<td>Organisational tenure</td>
<td>-.003</td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>2.471</td>
</tr>
<tr>
<td>2</td>
<td>Bank type</td>
<td>-.191</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>.119</td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>.023</td>
</tr>
<tr>
<td></td>
<td>Ethnicity</td>
<td>.019</td>
</tr>
<tr>
<td></td>
<td>Job position employee</td>
<td>-.080</td>
</tr>
<tr>
<td></td>
<td>Organisational tenure</td>
<td>-.019</td>
</tr>
<tr>
<td></td>
<td>Empowerment</td>
<td>.179</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001
Note: R²=0.19 for Step 1, ∆R²=0.08 for Step 2 (p<0.001)
It is evident from Table 5.31 that empowerment explained an additional 8% of the variance in intrinsic motivation, after controlling for bank type and demographic factors [ΔR²=0.08, ΔF (1,838)=84.62, p<0.001]. The results also indicate a positive and significant relationship between empowerment and intrinsic motivation (β=0.31, p<0.001), providing support for H4.

**5.10 Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation**

Objective five was to investigate the impact that leadership behaviour might have on the relationship between empowerment and intrinsic motivation. Specifically, the objective was to examine the mediating role of leadership behaviour on the relationship of empowerment to intrinsic motivation. From the review of the literature, it was hypothesised that leadership behaviour would mediate the relationship between empowerment and intrinsic motivation (H5). To test this hypothesis, several techniques of statistical analysis were used. These were the Pearson correlation, multiple regression and the Sobel test (Bryman, 2008; Field, 2009; Pallant, 2007; Sobel, 1982; Tabachnick & Fidell, 2007). Whilst the Pearson correlation describes the strength and direction of the linear relationship between two variables, multiple regression is based on correlation but allows a more sophisticated exploration of the interrelationship among a set of variables (Pallant, 2007). It is basically used to predict scores on one variable on the basis of scores on a number of other variables (Crozier, 2009).

Mediation testing can be conducted in four ways: through path analysis, structural equation modelling, proxies embedded in linear regression and multilevel modelling (Lewis-Beck et al., 2004b). The most common method for testing mediation in psychological research is the third of these, which was developed by Kenny and his colleagues (Baron & Kenny, 1986; Judd & Kenny, 1981; Kenny, Kashy & Bolger, 1998) (MacKinnon, Lockwood, Hoffman, West & Sheets, 2002 cited by Frazier, Tix & Barron, 2004). Therefore, for the purpose of the present study, the method of proxies embedded in linear regression was preferred.
Kenny and his colleagues (Baron & Kenny, 1986; Judd & Kenny, 1981; Kenny, Kashy & Bolger, 1998) propose four steps in establishing mediation, in which several regression analyses are conducted and the significance of the coefficients is examined at each step. The first three of the four steps are to establish that zero-order relationships (i.e. Pearson correlations) exist among three variables, i.e. independent, mediator and dependent variables. If one or more of these relationships are found to be non-significant, it can be concluded that mediation is not possible or likely (Preacher & Leonardelli, 2006). In step four (assuming that there are significant relationships in steps one to three), a multiple regression analysis is employed to obtain the raw regression coefficients and the standard errors for the associations between the independent variable and the mediator, and for the association between the mediator and the dependent variable (adjusting for the independent variable). To test whether a mediator variable significantly carries the influence of an independent variable to a dependent variable, i.e. whether the indirect effect of the independent variable on the dependent variable through the mediator variable is significant, the Sobel test was employed (Pierce, 2003; Preacher & Hayes, 2004; Preacher & Leonardelli, 2006; Soper, 2010). The Sobel test (Sobel, 1982) was preferred for the present study because it is claimed to converge closely with sample sizes greater than 50 (Preacher & Leonardelli, 2006). An online Sobel test calculator was used to obtain the significance of mediation (Preacher & Leonardelli, 2006; Soper, 2010).

Table 5.32 presents the Pearson correlation results for the first three steps suggested by Kenny and colleagues for mediation testing, as described above.

Table 5.32: Correlation matrix for empowerment, leadership behaviour and intrinsic motivation

<table>
<thead>
<tr>
<th>No.</th>
<th>Scale</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Empowerment</td>
<td>1.00</td>
<td>0.53**</td>
<td>0.44**</td>
<td>0.41**</td>
</tr>
<tr>
<td>2</td>
<td>Transformational leadership</td>
<td>0.53**</td>
<td>1.00</td>
<td>0.74**</td>
<td>0.30*</td>
</tr>
<tr>
<td>3</td>
<td>Empowering leadership</td>
<td>0.44**</td>
<td>0.74**</td>
<td>1.00</td>
<td>0.34**</td>
</tr>
<tr>
<td>4</td>
<td>Intrinsic motivation</td>
<td>0.41**</td>
<td>0.30*</td>
<td>0.34**</td>
<td>1.00</td>
</tr>
</tbody>
</table>

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

Table 5.32 reveals significant relationships between each of the variables. The results indicate that at the bivariate level, the conditions necessary to test for the possible role of a mediator have been met. Therefore, further investigation into mediation testing was then conducted.
Multiple regression analysis was used to obtain $\beta$ (raw regression coefficients) and SE (standard errors) for the associations between empowerment and leadership behaviours (Model 1) and between leadership behaviours and intrinsic motivation (controlling for empowerment) (Model 2). In Model 1, leadership behaviour (mediator variable) was regressed on the empowerment (independent variable). This was completed for the two leadership behaviours of transformational leadership and empowering leadership. The regressions generated $\beta$ of 0.557 and SE of 0.031 for transformational leadership and 0.363 and 0.026 respectively for empowering leadership with $p<0.001$ (see Table 5.33).

In Model 2, intrinsic motivation (dependent variable) was then regressed on both empowerment (independent variable) and leadership behaviour (mediator variable). The regression was also completed for the two leadership behaviours. The $\beta$ reported for the association between transformational leadership and intrinsic motivation (controlling for empowerment) was 0.068, SE was 0.020 and $p<0.01$, with $\beta=0.140$, SE=0.024 and $p<0.001$ for empowering leadership (see Table 5.33).

<table>
<thead>
<tr>
<th>Association</th>
<th>Raw regression coefficient</th>
<th>Standard error</th>
<th>T-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment and transformational leadership</td>
<td>0.557</td>
<td>0.031</td>
<td>18.131***</td>
</tr>
<tr>
<td>Transformational leadership and intrinsic motivation (controlling for empowerment)</td>
<td>0.068</td>
<td>0.020</td>
<td>3.357**</td>
</tr>
<tr>
<td>Empowerment and empowering leadership</td>
<td>0.363</td>
<td>0.026</td>
<td>14.218***</td>
</tr>
<tr>
<td>Empowering leadership and intrinsic motivation (controlling for empowerment)</td>
<td>0.140</td>
<td>0.024</td>
<td>5.870***</td>
</tr>
</tbody>
</table>

*** $p<0.001$
** $p<0.01$

To complete the mediation analysis, the $\beta$ and SE values were entered into the online Sobel test calculator (Preacher & Leonardelli, 2006; Soper, 2010). The results are given in Table 5.34.

<table>
<thead>
<tr>
<th>Leadership behaviour</th>
<th>Test statistic (z)</th>
<th>$p$-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>3.34071515</td>
<td>0.00083563</td>
</tr>
<tr>
<td>Empowering leadership</td>
<td>5.38241938</td>
<td>0.000000007</td>
</tr>
</tbody>
</table>
Before the Sobel test results are interpreted, it is imperative to reiterate the description of the test, a statistical method of determining whether the indirect path from the independent variable to the dependent variable via the mediator is statistically significantly different from zero (Abdullah, Mohamed, Othman & Uli, 2009; Denis, 2010). Precisely put, the purpose of the Sobel test is to discover whether a mediator variable carries the influence of an independent variable to a dependent variable (Preacher & Leonardelli, 2010). It was preferred here to other methods (i.e. the Aroian and Goodman tests) because while it produces results more or less identical to these alternatives, it converges closely with sample sizes greater than 50 (Denis, 2010; Preacher & Leonardelli, 2010). The test statistic reported by the Sobel test is known as the z-value, while the p-value indicates statistical significance (Yousefi, Mansor, Redzuan, Abu Talib & Juhari, 2009; Denis, 2010). A p-value of 0.05 and below is commonly considered the arbitrary cutoff value to determine statistical significance (Denis, 2010; Pierce, 2003).

In the present study, the Sobel test was used to determine the mediation effect of leadership behaviour on the relationship between empowerment and intrinsic motivation. Table 5.34 shows that p-values fell below the established alpha level of 0.05 for the two leadership behaviours, indicating that the results were significant at z-values of about 3.34 (p<0.001) for transformational leadership and 5.382 (p<0.001) for empowering leadership. These results provide strong support for the mediation testing, revealing that the association between empowerment and intrinsic motivation was reduced significantly by the inclusion of leadership behaviour as a mediator in the relationship. In other words, leadership behaviour significantly mediated the influence of empowerment on intrinsic motivation and this was true for both transformational and empowering leadership. Consequently, H5 is supported.

5.11 Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation

Whilst objective five concerns the mediating role of leadership behaviour in the relationship of empowerment to intrinsic motivation, objective six serves as a competing model, addressing the mediating effect of empowerment on the relationship of leadership behaviour to intrinsic motivation. The procedures of Pearson correlation, multiple
regression and the Sobel test (Bryman, 2008; Field, 2009; Pallant, 2007; Sobel, 1982; Tabachnick & Fidell, 2007) were applied, as they were in addressing objective five.

Significant relationships between each of the variables in both the private and government-owned bank are shown in Table 5.32, suggesting that the assumption of the first three of the four steps of mediation testing have been met. The results for the fourth step, which included the multiple regression analysis and Sobel test for both banks, are reproduced in Tables 5.35 and 5.36.

Table 5.35: Raw regression coefficient and standard errors obtained by multiple regression (empowerment as the mediator)

<table>
<thead>
<tr>
<th>Association</th>
<th>Raw regression coefficient</th>
<th>Standard error</th>
<th>T-statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership and empowerment</td>
<td>0.504</td>
<td>0.028</td>
<td>18.131***</td>
</tr>
<tr>
<td>Empowerment and intrinsic motivation (controlling for transformational leadership)</td>
<td>0.196</td>
<td>0.021</td>
<td>9.239***</td>
</tr>
<tr>
<td>Empowering leadership and empowerment</td>
<td>0.532</td>
<td>0.037</td>
<td>14.218***</td>
</tr>
<tr>
<td>Empowerment and intrinsic motivation (controlling for empowering leadership)</td>
<td>0.183</td>
<td>0.020</td>
<td>9.241***</td>
</tr>
</tbody>
</table>

***p<0.001

Table 5.36: Sobel test (empowerment as the mediator)

<table>
<thead>
<tr>
<th>Leadership behaviour</th>
<th>Test statistic (z)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>8.28570896</td>
<td>0.0000000000</td>
</tr>
<tr>
<td>Empowering leadership</td>
<td>7.71947274</td>
<td>0.0000000000</td>
</tr>
</tbody>
</table>

The results of regressions for Model 1, where empowerment (mediator variable) was regressed on the leadership behaviours (independent variable) of transformational leadership and empowering leadership, generated $\beta$ of 0.504 and SE of 0.028 for transformational leadership and 0.532 and 0.037 for empowering leadership, with $p<0.001$ (see Table 5.35). Meanwhile, the results of regressions in Model 2, where intrinsic motivation (dependent variable) was regressed on both leadership behaviour (independent variable) and empowerment (mediator variable) were $\beta=0.196$, SE=0.021 and $p<0.001$ for transformational leadership and $\beta=0.183$, SE=0.020 and $p<0.001$ for empowering leadership (see Table 5.35).

The $\beta$ and SE values were then entered into the online Sobel test calculator (Preacher & Leonardelli, 2006; Soper, 2010), with the results shown in Table 5.36. The $p$-value fell
below the established alpha level of 0.05 for the two leadership behaviours, suggesting strong support for the mediation effect, i.e. empowerment significantly mediated the influence of leadership behaviour on intrinsic motivation and this was true for both transformational leadership ($z=8.286$, $p<0.001$) and empowering leadership ($z=7.719$, $p<0.001$). H6 is thus supported.

5.12 Summary

This chapter has presented an analysis of the quantitative data collected through the main research method of the study, the questionnaire, which was designed to address the six quantitative research objectives. The data were analysed using a number of statistical techniques: descriptive statistics, independent samples t-test, ANOVA, Pearson correlation, multiple regression and the Sobel test (Baron & Kenny, 1986; Bryman & Cramer, 1992; Field, 2009; Ghauri & Gronhaug, 2005; Pallant, 2007; Sobel, 1982; Tabachnick & Fidell, 2007). Descriptive statistics were used to investigate the demographic background of the participants, whilst the other statistical tests listed above were employed to address the six research objectives through the hypotheses testing.

Investigation of personal demographic information revealed a predominance of female participants in both the private and government-owned banks. Employees tended to be younger in the former than the latter. A large majority of participants in both banks were Malays and, as expected, Muslims constituted the dominant religious group in the study. It was also found that the majority of participants in the two banks were married and that very few were single or divorced. The study encompassed a well-educated group of participants, in that many in both banks held bachelor or master’s degrees.

With respect to organisational demographic information, it was discovered that there was a majority of lower management participants in the private bank, whilst in the government-owned bank many held clerical posts. Most participants in the two banks indicated that they had held their current position for one to five years. Marketing and sales was the department most strongly represented in the private bank sample, while for the government-owned bank, many were in the HR department. In terms of length of service with the current department, a relatively high proportion of participants in the private bank had one to five years of service, whilst in the government-owned bank, many had less than
a year of service. Apparently, there were more experienced participants in the government-owned bank than the private bank. Many of the former indicated a total working experience of more than 20 years (44.9%), whereas for the private bank a majority fell within the range of 10 years and below (51.1%).

When an independent samples t-test was conducted to test H1 i.e. to determine the difference in employee empowerment between the two banks (objective one), there were found to be significantly higher levels of perceived empowerment in the private bank than the government-owned one, confirming the expectation of the study and providing support to H1.

Objective two was to investigate the difference in employee empowerment across demographic profiles of age, gender, ethnicity, organisational tenure and job position. The independent samples t-test and ANOVA results were mixed. Table 5.37 summarises these findings.

Table 5.37: Summary of statistical test results for objective two

<table>
<thead>
<tr>
<th>Scale</th>
<th>Bank</th>
<th>Demographics</th>
<th>Highest mean (M) score group</th>
<th>p-value</th>
<th>Eta-squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>Private</td>
<td>Age</td>
<td>Above 35 years (M=5.61, SD=0.62)</td>
<td>p=0.24</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gender</td>
<td>Male (M=5.60, SD=0.62)</td>
<td>p=0.31</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethnicity</td>
<td>Others (M=5.72, SD=0.73)</td>
<td>p&lt;0.001</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organisational tenure</td>
<td>Over 20 years (M=5.85, SD=0.43)</td>
<td>p&lt;0.001</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Job position</td>
<td>Lower management (M=5.58, SD=0.68)</td>
<td>p=0.86</td>
<td>NA</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Government</td>
<td>Age</td>
<td>51 to 55 (M=5.76, SD=0.63)</td>
<td>p&lt;0.001</td>
<td>0.28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gender</td>
<td>Males (M=5.37, SD=0.87)</td>
<td>p&lt;0.001</td>
<td>0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethnicity</td>
<td>Others (M=5.42, SD=0.40)</td>
<td>p&lt;0.001</td>
<td>0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organisational tenure</td>
<td>26 years and above (M=5.64, SD=0.62)</td>
<td>p&lt;0.001</td>
<td>0.24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Job position</td>
<td>Middle management (M=5.58, SD=0.61)</td>
<td>p&lt;0.001</td>
<td>0.24</td>
</tr>
</tbody>
</table>

Table 5.37 demonstrates that in terms of age there was evidence of higher empowerment among the older participants in the government-owned bank, which supports the expectation set out at the beginning of the study, i.e. H2a is supported. Moreover, a large effect size was found for the significant difference in the government-owned bank;
therefore this finding is considered to be substantive, strengthening support for H2a. In contrast, there was no significant difference reported between the age groups for the private bank, reflecting a rejection of H2a in that case.

When gender differences were examined, findings were similar for the two banks in that males tended to perceive themselves as more highly empowered than did females, contrary to expectations, so that H2b is not supported. However, these findings appear to be disputable, as the difference was non-significant for the private bank and the effect size was small for the government-owned bank, notwithstanding the significance of the difference.

With respect to ethnicity, the results were again contrary to expectations, reflecting an inconsistency with H2c, as the minority Others were found to experience significantly higher empowerment than the majority Malays in both banks; but again the findings were considered to be of little practical importance due to a small effect size.

In relation to organisational tenure, i.e. length of service with the bank, employees with longer tenure reported higher perceived empowerment in both banks. The difference was statistically significant in the private bank but of little importance because of the small effect size. The significant difference in the government-owned bank, however, was fully supported by a large effect size. These results are aligned with the initial expectations of the study that give support to H2d.

With respect to job position, those at managerial level had more perceived empowerment than participants at non-managerial (clerical and non-clerical) levels. This difference was not significant for the private bank (contradicting the expectation of the study, so H2e is not supported), but in the case of the government-owned bank it was both significant and supported by a large effect size, consistent with expectations (H2e is supported).

The overall results in respect of objective two, illustrated in Table 5.37, suggest that stronger findings were obtained for the government-owned bank than the private bank. It was discovered that of the five demographic profiles tested, all exhibited statistically significant differences. Most importantly, three (age, organisational tenure and job position) were shown to have substantial practical importance in terms of their findings. For the private bank, of the five demographic profiles examined, only two (ethnicity and
organisational tenure) produced statistically significant differences and little importance is attributable to any of these, because of the small effect sizes.

Results of the hierarchical multiple regression conducted for objective three, to examine the relationship between empowerment and leadership behaviour, indicate a significant and positive association between empowerment and leadership behaviours that is consistent with H3a. For the relationship between each facet of empowerment and leadership behaviour (transformational and empowering), three facets of empowerment, i.e. meaning, impact and self-determination, but not competence, were found to have a positive association to transformational leadership (H3b, H3c, H3d are supported and H3e is rejected). This was true for the two leadership behaviours of transformational leadership and empowering leadership.

Objective four, to ascertain the relationship between empowerment and intrinsic motivation, was also investigated by means of hierarchical multiple regression. The results indicate a significant positive relationship between empowerment and intrinsic motivation, suggesting that the higher the empowerment, the higher the intrinsic motivation, giving support to H4.

In addressing objective five, to examine the mediating role of leadership behaviour in the relationship between empowerment and intrinsic motivation, three statistical tests were employed: the Pearson correlation, multiple regression and the Sobel test (Bryman, 2008; Field, 2009; Pallant, 2007; Sobel, 1988; Tabachnick & Fidell, 2007). There was evidence of mediation for the two leadership behaviours, confirming H5. A mediation effect was also found for the objective six. Empowerment was discovered to mediate the relationship of leadership behaviour and intrinsic motivation, which was true for both of the leadership behaviours investigated. The mediation effect revealed gives support to H6.

The analysis of the quantitative data collected by means of the questionnaire has thus produced an array of findings. Notably, the statistical findings were more favourable in the case of the government-owned bank than the private bank in regard to the relationship between demographic factors and empowerment. Whilst this chapter has established an understanding of the quantitative findings generated by the questionnaire, the following
chapter presents the analysis of the qualitative data collected from the secondary research method of the study, i.e. semi-structured interviews.
6 RESULTS: QUALITATIVE SEMI-STRUCTURED INTERVIEWS

6.1 Introduction

This chapter presents an analysis of the qualitative data collected by means of the second primary research method used in this study: semi-structured interviews conducted with 12 senior managers selected by the human resource departments of the two participating banks in the study, i.e. six interviewees from each bank. Whilst chapter five has reported the quantitative results relating to the first six of the eight research objectives, this chapter focuses on the remaining two objectives, which fit into the qualitative perspective of the study (see sections 3.6, 4.8 and 5.1). It communicates the results of the semi-structured interviews in line with these two qualitative research objectives:

Objective seven: To identify the understanding and definition of empowerment among bank managers;

Objective eight: To reveal the empowerment process within Malaysian banks.

The investigation of the construct of empowerment, its consequences and the analysis of the mediation between empowerment and its consequences, were addressed by the first six research objectives. In contrast, objectives seven and eight offer a wider perspective of the investigation into empowerment. In particular, they address the paucity of comprehensive research into empowerment within the context of banking in the current academic literature; in other words, they are explorative in nature (see sections 3.5 and 3.6).

Lashley (1996; 1999) points out that the empowerment process within an organisation is sensitive to the meanings which its managers attach to empowerment. Others emphasise the crucial role of managers in shaping the process according to their own understanding, which will ultimately affect the feelings and experiences of employees regarding empowerment (Honold, 1997; Klidas et al., 2007; Moye & Henkins, 2006). This study therefore provides an investigation into managers’ understanding of empowerment alongside the process itself, addressed by objectives six and seven respectively.

The data collected in the interviews was analysed using the principle of thematic analysis, which is also commonly referred to as template analysis (Bryman, 2008; Gibson, 2006;
In addition to its appropriateness within a range of research paradigms, thematic analysis is asserted to work well with small datasets or when researchers know the issues that they are searching for (King, 2004; Waring & Wainwright, 2008). Thematic analysis is thus believed to provide the best platform of analysis of the interview data within the parameters of the present study, considering that the interviews were designed with predetermined themes and that there was a small number (12) of interviewees.

An initial code template referring to these two themes, i.e. the definition of empowerment (objective seven) and the empowerment process (objective eight), was created at the beginning of the study. It was then modified throughout the thematic analysis in response to the discovery that the data collected transcended the limits of the narrowly defined initial template. At the end of the thematic analysis a final code template (see appendix 12) was formulated to incorporate the multiple sub-themes that had emerged during the categorisation process. Further details of the interview design, procedures and analysis are documented at length in the methodology chapter (see section 4.6).

The present chapter begins by describing the personal and organisational demographic information provided by the interviewees. Next, an explanation of the thematic analysis is briefly reiterated. The chapter continues by presenting the results of the thematic analysis, with a separate section for each of research objectives seven and eight. For each of these, apart from reporting the similarities and differences found between the participating banks, there is a discussion in relation to the literature review and previous research. The chapter ends with a summary.

6.2 Demographic information

This section outlines the personal and organisational demographic details of the 12 senior managers who participated in the semi-structured interviews. This includes details of gender, age and ethnicity, whilst the organisational information concerns departmental affiliation and length of service with the bank. It will be apparent that little demographic information was collected in the interviews; this is related to the aim of the interviews, which was concerned more with the content of the study than the demographic profile.
Thus, only the small amount of demographic information that was deemed necessary was included in the interview schedule (see section 4.6.1).

### 6.2.1 Personal demographic information

Table 6.1 lists the personal demographic information given by interviewees. It shows that participants from the private bank ($M=47$) were slightly younger on average than those from the government-owned bank ($M=50$). Overall, participants can be considered to fall within the range of middle-aged to older employees, following the suggestion of De Lange et al. (2006), who consider 35 to 49 years as middle-aged and over 50 years as older. This is not surprising, considering the status of all 12 participants as senior managers. There was also a slightly wider age range in the government-owned bank than the private bank.

**Table 6.1: Personal demographic information of interviewees**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Demographics</th>
<th>Category</th>
<th>Private (N=6)</th>
<th>Percentage (N=6)</th>
<th>Government-owned (N=6)</th>
<th>Percentage (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age (in years)</td>
<td>Minimum</td>
<td>45</td>
<td>47</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum</td>
<td>50</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mean ($M$)</td>
<td>47</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>Male</td>
<td>100.0 (6)</td>
<td>67.0 (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>0 (0)</td>
<td>33.0 (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>100.0 (6)</td>
<td>100.0 (6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethnicity</td>
<td>Malay</td>
<td>67.0 (4)</td>
<td>67.0 (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chinese</td>
<td>33.0 (2)</td>
<td>16.5 (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>0 (0)</td>
<td>16.5 (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>100.0 (6)</td>
<td>100.0 (6)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

With respect to gender, there were many more male participants ($N=10, 83.3\%$) than females ($N=2, 16.7\%$) overall. All six private bank participants were male, while only two (33.0\%) of the interviewees from the government-owned bank were female. It is important to note that the numbers of males and females in the interview sample was beyond the researcher’s control; as reported in the methodology chapter (section 4.6.3), the selection of participants was undertaken wholly by the HR departments of the banks concerned. Within the context of the study, the gender of participants cannot therefore be assumed to be representative of the two participating banks, considering the predominance of males ($N=10$) over females ($N=2$). The effects on the findings of the way in which participants were selected and of the non-representative gender balance will be covered in the discussion in Chapter 7.
In terms of ethnicity, Malay represents the most prevalent ethnic group in the sample and this was true for both banks. The preponderance of Malays in the sample is consistent with their membership of the largest ethnic group in Malaysia (Mohamad, 2005; Shafii et al., 2009). Of the six senior managers in the private bank, four (67.0%) were Malays and two (33.0%) were Chinese. In the government-owned bank, four senior managers were also Malays (67.0%), one (16.5%) was Chinese and one (16.5%) was categorised as ‘others’, being from the Iban ethnic group, one of the indigenous communities of Malaysia (Shamsul, 2001).

6.2.2 Organisational demographic information

Table 6.2 shows the organisational demographic information given by interviewees.

Table 6.2: Organisational demographic information on interviewees

<table>
<thead>
<tr>
<th>Bank</th>
<th>Department</th>
<th>Percentage (N=6)</th>
<th>Percentage (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>Head Office</td>
<td>50.0 (3)</td>
<td>100.0 (6)</td>
</tr>
<tr>
<td></td>
<td>Branch</td>
<td>50.0 (3)</td>
<td>0 (0)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100.0 (6)</td>
<td>100.0 (6)</td>
</tr>
<tr>
<td>Government-owned</td>
<td>Minimum</td>
<td>2</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Maximum</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Mean (M)</td>
<td>19</td>
<td>26</td>
</tr>
</tbody>
</table>

Among private bank participants, half worked at the head office and half in branch departments. The former were senior managers in three different departments: human resources, operations and administration. The remaining private bank participants were from branches in three different states. In contrast, all six participants from the government-owned bank worked at head office, in the departments of marketing and sales, compliance, finance, audit, risk management and human resources.

When examining the number of years of service with the bank, it was found that on average, participants from the government-owned bank (\(M=26\)) had served longer than those from the private bank (\(M=19\)). It is interesting to note that this pattern is similar to that for the length of service of questionnaire respondents (see section 5.4.2), which suggests that the sense of attachment to the organisation may have been higher in the government-owned than the private bank. The fact that the former was controlled by the Malaysian government means that it provided better job stability in comparison to the
latter. This may in some way have influenced the strong sense of organisational attachment among the employees of the government-owned bank. Another factor that may have contributed to the higher sense of attachment to the government-owned bank is the fact that the employees enjoyed similar benefits to those of employees of other government departments. These include long-term benefits such as monthly pensions and lifelong medical care in government hospitals (Public Service Department of Malaysia, 2010), which are not offered by any of the private organisations. Consistent with the higher mean length of service \((M=26)\) of the government-owned bank employees is their much smaller range than for the private bank: seven years and 25 years respectively. In other words, all participants from the government-owned bank had served it for a very long time. With greater length of service, senior managers in the government-owned bank would be expected to have experienced more empowerment than those with shorter service, in that they would have gained a better understanding of empowerment including its meaning and the process. Moreover, the greater the length of service, the more likely that the senior managers will have experienced the possible intricacy of empowerment, which in turn would help them to learn more about empowerment. Therefore, it was anticipated that the senior managers in the government-owned bank would offer more detailed explanations of empowerment than their counterparts in the private banks.

This section has examined the demographic information given by the interviewees; the next returns briefly to the thematic analysis which was applied to the interview data.

### 6.3 Thematic analysis

As documented in the methodology chapter (section 4.6.5), the interview data was analysed using the thematic analysis method (Bryman, 2008; Gibson, 2006; King, 2004; Lewis-Beck et al., 2004b; Miles & Huberman, 1994; Thorpe & Holt, 2008). Thorpe and Holt (2008) describe thematic analysis as a technique that relies upon the coding of text in a thematic way to produce a given structure or template. King (2004) highlights the flexibility of thematic analysis, whereby the researcher usually produces a list of codes (i.e. a template) representing themes identified a priori in the textual data, then modifies or adds to the template as she reads and interprets the texts. Thus, new themes for analysis can be accommodated that were not necessarily conceived at the outset of the research (Thorpe & Holt, 2008). As mentioned at the beginning of this chapter, the main reasons for selecting
thematic analysis concerned its appropriateness within the parameters of the study, i.e. that it works well with small datasets and that the issues to be considered were predetermined during the initial phase of the study (King, 2004; Waring & Wainwright, 2008).

Following the principle of thematic analysis, a list of codes (i.e. the initial code template) representing the themes was defined at the beginning of the study. As initially formulated, this comprised the two predetermined themes of the study, i.e. the definition of empowerment (referring to objective seven) and the empowerment process (referring to objective eight). As the analytical process developed, the initial template was modified through the addition of new multiple sub-themes that emerged during the categorisation process and which explained the two predetermined themes. The modified code template, referred to as the final code template (see appendix 12), was used as the structure to address the qualitative research objectives (seven and eight), as explained in the following two sections.

6.4 Objective seven: To identify the understanding and definition of empowerment among bank managers

Objective seven was to explore the meaning of empowerment from the viewpoint of bank managers. To address this objective, a specific interview question was developed (see the interview schedule, appendix 8):

What does the term empowerment mean to you?

The bank managers referred to in objective seven were in particular the six senior managers from each bank who participated in the study. They were numbered for easy identification, senior managers 1 to 6 being those from the private bank and numbers 7 to 12 representing the government-owned bank.

The thematic analysis of the responses to the above interview question revealed three themes in relation to participants’ definitions of empowerment. These themes, which are described further in the following subsections, were authority, competence and trust, with authority being the most prevalent response.
6.4.1 Theme: Authority

The term ‘authority’ is frequently associated with empowerment in the academic literature. Conger and Kanungo (1988), for example, view empowerment as the possession of formal authority or control over organisational resources. Subscribing to a similar view, Thorlakson and Murray (1996) assume empowerment to be a democratic design that distributes authority to the lowest level of the organisation. More recently, Petter, Byrness, Choi, Fegan and Miller (2002) have described empowerment as ‘the transferring of some managerial authority, prerogative, or ability to employees’ (p. 381). It is important to recognise here that the above views revolve around the attempt to define empowerment. While it is argued to have diverse meanings in the academic literature (Chênevert & Tremblay, 2009; Holdsworth, 2007; Perkins & Zimmerman, 1995), one of the most popular terms used in defining empowerment is ‘authority’ (Ahearne et al., 2005; Chan et al., 2008; Conger & Kanungo, 1988; Cunningham, Hyman & Baldry, 1996; Menon, 2001).

Table 6.3 below summarises the findings concerning the use of ‘authority’ in definitions of empowerment across the two banks.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme</strong></td>
<td><strong>Frequency</strong></td>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Authority</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

The study found that authority was the predominant theme invoked in reference to the meaning of empowerment; indeed, all 12 participants expressed their definition of empowerment in terms of authority. This indicates a strong consensus across the two participating banks. Specifically, this finding suggests that, regardless of ownership structure, the definition of empowerment appears to reside within the same parameter of definition, i.e. authority.

“When we talk about empowerment, it is a free hand to run things or to make decisions on our own. ... different people may have different authority to act”. (Senior manager 1 - private bank)

“When you talk about empowerment, it refers to the approval of authority”. (Senior manager 2 - private bank)
“Empowerment refers to giving a certain authority so that it will allow for faster decision making, rather than a need to refer to a higher authority every time there is a decision to be made.” (Senior manager 3 - private bank)

“Empowerment is about authority delegated to the staff”. (Senior manager 4 - private bank)

“When we talk about empowerment in the bank, we are very much focused on authority”. (Senior manager 5 - private bank)

“Empowerment is basically giving authority or responsibility to the lowest possible level”. (Senior manager 6 - private bank)

It is worth noting that in addition to the term ‘authority’, the term ‘delegation’ was often mentioned by the participants from the government-owned bank when expressing their definition of empowerment.

“It is about delegation of authority”. (Senior managers 7 and 10 - government-owned bank)

“Empowerment is more about delegation – that is giving authority for what you can do on your own”. (Senior manager 9 - government-owned bank)

“Empowerment is about delegation of authority in decision making, down to the lowest level possible”. (Senior manager 11 - government-owned bank)

“Empowerment is practically equal to delegation of power or authority”. (Senior manager 12 - government-owned bank)

The fact that the term ‘delegation’ was used prominently in conjunction with ‘authority’ in defining empowerment in the case of the government-owned bank raises an interesting comparison. It appears that the senior managers of the government-owned bank reflected a broader definition of empowerment than their counterparts in the private sector i.e. they not only perceived empowerment merely as an authority but further adopted empowerment as transmitting authority to subordinates, literally acknowledging authority-
sharing between superior and subordinate. In other words, the essential of authority-sharing in empowerment initiatives through passing on previously withheld authority to employees further down the hierarchy is firmly rooted in the definition of empowerment by these senior managers in the government-owned bank. This broader definition is parallel to Neumann’s (1992) and Wilson’s (2004) definition of empowerment, that suggests empowerment is about an individual’s authority relative to others, sharing that authority and the transmitting it from one individual to another further down the hierarchy; this rightly emphasises authority-sharing as central to empowerment. There is strong agreement in the literature that highlights the importance of authority-sharing in empowerment initiatives. Lashley (2001), for example, asserts that to make empowerment happen, employees must be given authority to make decisions and to resolve issues. Huq (2010) agrees, that it is important for managers and leaders to create an empowered environment which gives employees the authority necessary for them to make decisions responsibly. Moreover, if the ways to transmit authority are not articulated carefully, this can result in uncertainty amongst managers as to how they can empower their employees without diminishing their own authority; and also in unwanted effects amongst employees of low self-efficacy, low self-esteem and feelings of mistrust (Huq, 2010; Tjosvold, Hui & Law, 1998).

It was concluded that the broader definition of empowerment demonstrated by the senior managers of the government-owned bank could be attributed to their organisational demographic profiles of affiliation of departments and length of service, as described earlier (see section 6.2.2). In relation to the affiliation of departments, it was reported that all the interviewees from the government-owned bank (N=6) were from head office departments, whilst for the private bank only three were at head office, the rest (N=3) being from branch departments. According to Forrester (1995), head office plays a role in ensuring the standardisation of management practices across an organisation, which includes empowerment. Stewart (1995), meanwhile, emphasises the role of head office in the coordination of empowerment. Considering that the task of devising and developing empowerment resides centrally in the head office, it is plausible that managers in head office departments would have greater exposure to empowerment than their colleagues in the branch departments. Moreover, since the locus of empowerment is in the head office, its dissemination to the head office departments will tend to be more rapid than to branch departments. Given that all participants of the government-owned bank (N=6) were
affiliated to head office departments, it could be said that there was much greater exposure of empowerment among the participants of the government-owned bank than the private bank, which may have caused the relative variation in the definition of empowerment between the two. Compared to branch departments, the head office departments have the advantage of easy access to the locus of empowerment, where appropriate monitoring could be easily established. The advantage manifests itself in better learning and experience to empowerment and thus a broader definition of empowerment is expected at the latter than the former.

With regards to length of service, on average, those from the government-owned bank ($M=26$) had longer service than their private sector counterparts ($M=19$). Arguably, those with greater length of service would have had more experience of empowerment, which would facilitate their broader definition of it. Ergeneli et al. (2007) assert that employees with longer service are better adapted to the work atmosphere and to learning through experience, which creates the feeling of empowerment. In particular, longer serving employees are at an advantage in terms of their competencies (which may include a broader definition of empowerment), which have developed over many years of experience. Most importantly, previous research has substantiated the link between these factors and found that feelings of empowerment increased with length of service (e.g. Hancer & George, 2003; Koberg et al., 1999; Özaralli, 2003). As there are greater lengths of service in the government-owned bank than in the private bank, consistent with the assertion made in the literature that associates a positive relation between empowerment and length of service, it can be said that the former are relatively more familiar with empowerment than the latter. This explains the variations in definitions of empowerment between the two, where a broader definition is expected in the former.

One manager (8) from the government-owned bank gave a response in respect of the definition of empowerment different from those of the other participants, relating it to the theme of trust, which is discussed in the next two sections. However, he did refer to empowerment in terms of authority, albeit indirectly, when he responded to another unrelated interview question:

“Only when they (subordinates) reach certain competencies will they get certain forms of empowerment like delegation”. (Senior manager 8 - government-owned bank)
According to the Oxford Dictionary (2010), to delegate is to authorise, while Smith and Mouly (1998) relate delegation to authority when they argue that empowerment implies the delegation of authority. Moreover, it is observed that the term ‘empowerment’ has been used interchangeably with ‘delegation’ (Conger & Kanungo, 1988; Mills & Ungson, 2003; Thomas & Velthouse, 1990). Given these considerations, it is justifiable to assume that manager 8 was also defining empowerment under the theme of authority, in a similar way to the other participants.

The tendency of the participants to define empowerment with respect to features of authority is congruent with the findings of previous research. Smith and Mouly (1998) conducted interviews with employees of two New Zealand organisations (one a manufacturer of outdoor equipment and the other a supplier of energy and communication) pertaining to the definition of empowerment, finding that it was seen as ‘a transfer of decision-making authority along with an increase in responsibility for those decisions’ (p. 73). Another study, using a focus group of 150 middle managers in the United States (Klagge, 1998) had the following findings on the understanding of empowerment:

It places the responsibility for decisions and actions at the lowest possible level within organisation and gives that level the tools, resources and authority needed to decide and act (p. 553).

Many academics (e.g. Ahearne et al., 2005; Conger & Kanungo, 1988; Dee et al., 2003; Hechanova et al., 2006; Huq, 2010; Mills & Ungson, 2003) have related empowerment to the concept of power. This is consistent with the argument that power within the context of empowerment is viewed as the possession of formal authority or control over organisational resources (Conger & Kanungo, 1988; Spreitzer, 2008). Additionally, Menon (2001) regards power as the thrust to empowerment through the increased downward delegation of authority, throughout the organisational hierarchy. Therefore, it can be considered that the interview responses concerning the definition of empowerment elicited from all 12 senior managers and relating it to authority appear largely to be confined to the concept of power. As documented in section 2.3, utilising the concept of sharing power between superiors and subordinates is known as the structural approach to empowerment.
(Ahearne et al., 2005; Menon, 2001; Mills & Ungson, 2003; Ergeneli et al., 2007; Knol & Linge, 2009; Spreitzer, 2008). It is an approach that expresses the concept of empowerment as efforts to increase employees’ participation in decision making in organisations through the transmission of power to those who are less powerful (Ergeneli et al., 2007).

6.4.2 Theme: Competence

Like authority, competence was found to be frequently explained in relation to empowerment in the academic literature. Empowered employees are seen as competent and able to execute their job responsibilities proactively (Dewettinck et al., 2003; Spreitzer, 1995). It is asserted that empowered employees have a sense of competence, in that they are confident about their ability to do their work well (Applebaum, Hébert and Leroux, 1999). The higher the level of self-esteem and confidence, the more probable it is that the employees will accept empowerment, as they feel more competent to accept the increased involvement (Greasley et al., 2005).

Holt et al. (2000) assert that for an organisation where empowerment is implemented, a set of working principles need to be adopted, one of which is that employees need to become competent to take decisions. The importance of competence in the implementation of empowerment is highlighted by Hamudda and Dulaimi (1997), who warn that if “competence is lacking”, the results of the empowerment programme could be the opposite to that intended.

Many academics have identified competence as the dominant feature of empowerment and previous research supports this contention (e.g. Carless, 2004; Yukl & Fu, 1999), concluding that superiors are more inclined to empower subordinates whom they view as competent.

Consistent with the academic literature, the findings on the meaning of empowerment among participants of both banks also revealed that competence was one of the main themes emerging from the analysis of interview data, as detailed in Table 6.4.
Table 6.4: Summary of findings for the theme of competence

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme</td>
<td>Frequency</td>
<td>Frequency</td>
</tr>
<tr>
<td>Competence</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

Overall, a slim majority of participants (N=7) attempted to define empowerment using the element of competence, four being from the government-owned bank and three from the private bank. It should be noted that of these seven, only one from each bank linked empowerment explicitly with competence. A respondent from the private bank said:

“Empowerment is about letting them (subordinates) do their job within the ambit of competencies or capabilities. Empowerment differs from one person to the other. This means that you might have the same grade of people reporting to you, but the empowerment given to them is probably different”. (Senior manager 6 - private bank)

In another explanation of the relation of competence and empowerment, the same manager re- emphasised the relationship between the two:

“We are cascading it (empowerment) down the same to everybody, that is according to your grade or position. However, if you are not competent, we don’t give you that”.

A slightly different response was elicited from a senior manager of the government-owned bank:

“A competent workforce covers three areas: the knowledge, skills and attitude. If these three areas are not there in the workforce, then they are not competent. If they are competent, then they will be able to do whatever, including empowerment”. (Senior manager 8 - government-owned bank)

The same interviewee further explained the importance of competence to empowerment in relation to contract employees:

“When the contract staff or casual workers come in, they are still new. So ... they have to learn the knowledge. To get the knowledge, they have to build up their skills sets. Only when they
reach certain competencies, maybe like in six months time, then they will get a certain empowerment”.

The responses of the above two senior managers are similar in that competence represents the crucial condition for empowerment in the organisation. They also both indicate that subordinates differ in their level of competence: some will have higher competence and therefore more empowerment may be given to them than to others, who may have a lower level of competence.

Thomas and Velthouse (1990) define competence as the degree to which a person can perform activities skilfully. For Carless (2004), it is a set of skills and abilities which an employee uses to facilitate the performance of a task at work. A more comprehensive definition is offered by Siegall and Gardner (2002):

Competence is measured by the person’s confidence in his/her ability to do the job, self-assurance about personal capabilities to perform work activities and sense of mastery regarding necessary job skills (p. 73).

The above definitions suggest that competence depends largely on a set of skills and abilities that employees use to perform tasks. The greater the set of skills and abilities acquired by the employees that can be developed through knowledge and experience, the more competent they are. In keeping with these definitions, other explanations from participants (N=5), who viewed empowerment from the perspective of skills, abilities, knowledge and experience, were also considered to define empowerment within the parameter of competence, as these terms represent the features of competence. Despite not using the term ‘competence’ explicitly in their responses, these participants (N=5) were seen in principle to acknowledge a link between empowerment and the theme of competence, having invoked the features of the latter in reference to the former.

“When you are talking about empowerment, you are looking at the person...his knowledge...his experiences...his exposures to commercial banking. This is the matter of which you look into...in empowering the person”. (Senior manager 2 - private bank)
“Management need to balance factors in giving empowerment. They have to balance whether the person has the right experience and the right knowledge to make the correct decision”. (Senior manager 3 - private bank)

“When you have all sorts of what we call knowledge and experience, it will give us some sort of guide to empowerment. As the senior managers, we have to make sure that the bank is kept on the safe side. Whatever we do (including empowerment), it is very important not to put the bank at risk”. (Senior manager 7 - government-owned bank)

“When they (superiors) empower the person, they must make sure that they empower the right person... the person with necessary experience and capabilities... to be able to carry out the job functions”. (Senior manager 11 - government-owned bank)

“Before you empower, you must be very sure that the particular person is confident enough... knowledgeable... and have the skills”. (Senior manager 12 - government-owned bank).

With a majority (N=7) of participants relating the concept of empowerment to the theme of competence, the findings can be seen as providing a degree of further support to previous research, substantiating the link between the two (e.g. Carless, 2004; Yukl & Fu, 1999).

Competence is regarded as one of the four dimensions of the psychological approach to empowerment (Carless, 2004; Chiang & Jang, 2008; Spreitzer, 1995; 1996). As highlighted in section 2.4, this approach is described as an intrinsic task motivation manifest in four cognitions (i.e. meaning, competence, self-determination and impact) that reflect the employees’ orientation to work (Spreitzer, 1995; Thomas & Velthouse, 1990). It basically reflects whether or not employees perceive themselves as being empowered (Ergeneli et al., 2007; Spreitzer, 1995). The four cognitions additively create the overall construct of the psychological approach to empowerment; the lack of any single cognition will reduce the overall degree of empowerment (Spreitzer, 1995), with competence being suggested as the strongest control mechanism (Ergeneli et al., 2007). Essentially, the above responses from participants, assimilating empowerment with the theme of competence, are thus believed to acknowledge the validity of the psychological approach to empowerment.
6.4.3 Theme: Trust

Alongside authority and competence, trust has also received considerable attention in the academic literature. There is strong agreement among academics that trust is an important feature of empowerment. Taborda (2000) believes trust to be a prerequisite when implementing empowerment. Many regard it as determining the success of empowerment (Ergeneli et al., 2007; Holdsworth, 2007; Klagge, 1998; Smith, 1997; Smith & Mouly, 1998). It is argued that managers who empower their employees are signalling to them that they have trust in them (McKnight & Chervany, 1996). Yukl (2002) makes a similar point, suggesting that empowerment is more feasible when there is a high level of mutual trust between managers and employees. In a brief yet precise statement, Appelbaum et al. (1999) are seen to give the finest explanation of the link between empowerment and trust:

Empowerment is anything but simple and quick – it demands a willingness to embrace uncertainty, trust people and exercise faith (p. 241).

Interestingly, a number of participants in the study used the term ‘trust’ to explain their understanding of empowerment, which appears consistent with the assertions made in the academic literature of an inextricable link between the two. Table 6.5 gives the detailed findings on the theme of trust.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme</td>
<td>Frequency</td>
<td>Frequency</td>
</tr>
<tr>
<td>Trust</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 6.5 shows that there eight participants invoked the theme of trust in their explanation of empowerment, more coming from the government-owned bank (N=5) than the private bank (N=3). The fact that the former had on average more years of service (M=26) than the latter (M=19) means that they were likely to have acquired more understanding of those factors that facilitate empowerment (which may include trust) through their greater experience. This could be taken to strengthen the findings that more participants of the government-owned bank were found to relate empowerment to the theme of trust than those from the private bank.
It should be noted that while in some cases \( N=5 \) the theme of trust was elicited by the interview question pertaining directly to the definition of empowerment, there were other cases \( N=3 \) where the relation of trust to empowerment came in response to other unrelated interview questions. Those \( N=5 \) who specified the theme of trust in response to the question of definition made the following comments:

“Empowerment involves a question of the level of trust of a subordinate”. (Senior manager 2 - private bank)

“Empowerment is a mutual understanding between superior and subordinate. It is related to the trust and confidence that the superior has in his subordinate”. (Senior manager 4 - private bank)

“Empowerment carries a strong trust, the trust towards your subordinates”. (Senior manager 8 - government-owned bank)

“Empowerment is not only about delegation of authority, it involves trust”. (Senior manager 10 - government-owned bank)

“You must have trust before you delegate anything to other people. Empowerment must always come together with trust”. (Senior manager 12 - government-owned bank)

The other three explained trust in relation to empowerment when addressing interview questions not relating directly to the definition of empowerment:

“Empowerment is not only the leeway to work on our own but it relates to trust, which involves building trust with the superior”. (Senior manager 1 - private bank)

“You have to trust them (subordinates) to carry out the duties and of course you have to give them authority (empowerment). It is all the time that authority must come direct from you (the superior)”. (Senior manager 7 - government-owned bank)

“If you are given authority (empowerment) to do something, on one hand management has got faith in you, trust in you. On the other hand, they (management) feel you are capable enough to carry out that job”. (Senior manager 11 - government-owned bank)
Considering that two-thirds \((N=8)\) of participants mentioned trust in relation to empowerment, trust could be seen as a crucial factor influencing empowerment in the two banks. These responses also suggest the importance of relationships between superiors and subordinates and the need to develop mutual trust between them in order to foster empowerment. In other words, the higher the trust that the superior has in the subordinates, the more likely it is that empowerment will be affected.

These findings are parallel to assertions made by academics that trust has a strong influence on the reinforcement of empowerment in organisations (Appelbaum et al., 1999; Honold, 1997; Klidas et al., 2007; Smith, 1997). Most importantly, they are consistent with empirical evidence of the significant relationship between trust and empowerment in organisations (e.g. Chan et al., 2008; Ergeneli et al., 2007; Mills & Ungson, 2003; Moye & Henkin, 2006).

6.4.4 Summary of findings on objective seven: To identify the understanding and definition of empowerment among bank managers

Several important findings arose in relation to objective seven. First, all interviewees \((N=12)\) from both banks, regardless of ownership structure, gave answers suggesting that their strong understanding of empowerment stemmed from the structural approach to empowerment, which emphasises the concept of sharing power between subordinates through delegation of authority in the organisation (Ahearne et al., 2005; Knol & Linge, 2009; Mills & Ungson, 2003). There were participants \((N=8)\) who were also found to acknowledge an understanding of empowerment related to the psychological approach to empowerment, which focuses on the psychological state of the individual being empowered (Menon, 2001; Spreitzer, 1995; Thomas & Velthouse, 1990). Precisely put, the structural approach to empowerment appeared to be salient in the understanding of empowerment among the participants in the study and this was true for both banks. Within the work context, this approach is seen and practised more than the psychological approach, which is more intangible. Furthermore, it is noted that the psychological approach is more commonly encountered in academic discussion than in practice. Spreitzer (2008) suggests that the reason why the social structural approach to empowerment has garnered more attention from practitioners is that it helps them to see how different kinds of managerial actions can facilitate empowerment at work. In contrast to this approach,
which has been widely acknowledged since the 1970s (Kanter, 1977), the psychological approach has been the subject of discussion for only two decades (Thomas & Velthouse, 1990). These factors may help to explain the domination of the structural over the psychological approach to empowerment in the current findings, which are broadly consistent with the claims in the academic literature pertaining to the prevalence of these two approaches (Carless, 2004; Logan & Ganster, 2007; Spreitzer, 1995; Thomas & Velthouse, 1990).

The second important finding is that trust is undoubtedly an essential prerequisite for empowerment within the context of the study. It was found that if the senior managers had little or no trust in their subordinates, then empowerment was not likely to be offered. There was consensus amongst interviewees across the two banks that trust was seen as a factor influencing empowerment. Interestingly, this finding is also consistent with research offering empirical support to the important link between trust and empowerment (Chan et al., 2008; Ergeneli et al., 2007; Mills & Ungson, 2003).

Thirdly, the findings suggest that the ownership status of the bank had little impact on the participants’ understanding of empowerment. The three themes of empowerment (authority, competence and trust) revealed by the analysis were gathered from responses by participants from both banks. Perhaps this consensus in the understanding of empowerment (contradicting the expectation of the study) arises from the identical nature of the business conducted by the two organisations.

Finally, the findings revealed that organisational demographic factors of department affiliation and length of service helped to explain participants’ definitions of empowerment. It was noted earlier that while there was general consensus across the two banks in relation to the definition of empowerment, a broader definition was demonstrated by participants from the government-owned bank than the private bank. In explaining the theme of authority, the former demonstrated that they not only saw empowerment merely as authority but further adopted their definition as the transmission of authority to subordinates, acknowledging the importance of authority-sharing between superior and subordinate in empowerment initiatives. Additionally, for the themes of competence and trust, more participants from the government-owned bank than the private bank invoked these two themes. The fact that the government employees tended to have longer service
on average and that all were attached to head office departments, where empowerment was centrally designed, may have shaped their broader definition of empowerment.

Having presented the findings in respect of objective seven, the focus now turns to the final objective of the study, concerning the empowerment process in the two banks.

6.5 **Objective eight: To reveal the empowerment process within Malaysian banks**

There are strong assertions to the effect that empowerment is an effective tool in organisational development (e.g. Bartram & Casimir, 2007; Biron & Bemberger, 2010; Chebat & Kollias, 2000; Conger & Kanungo, 1988). Others have contested this, arguing that empowerment sounds good in theory but fails to empower employees practically.

Smith (2000) asserts that empowerment is not used widely enough and that this leads to failure. Similarly, Forrester (2000) claims that many organisations have not realised the potential of empowerment, but nevertheless contends that empowerment is still a useful concept and urges the need to learn to apply it better.

Explanations have been offered in the academic literature concerning the causes of empowerment failure in organisations. Poor implementation of the process is listed among the contributory factors (Forrester, 2000; Lincoln, Travers, Ackers & Wilkinson, 2002; Mathew et al., 2003). Quinn and Spreitzer (1996) explain that:

> [Although] all the executives assumed that the empowerment of the workplace was the right thing to do, they were in deep conflict, not only over the meaning of empowerment, but also over how it should be implemented in their organisations. Such conflicts are common in contemporary organisations and represent a primary reason why empowerment efforts are likely to fail (p. 6).

The above quotation raises two points that should be considered carefully if empowerment is to succeed: (1) the need for a clear understanding of empowerment among managers; (2) the need to develop an empowerment process that nurtures its true benefits. Whilst the first point suggests the main role of managers in facilitating the success of empowerment (which has been addressed in the above discussion of objective seven), the second
emphasises a wider picture at the organisational level, i.e. the importance of an effective process of implementation of empowerment. Objective eight was designed specifically to address the second point and to augment the limited in-depth accounts in the academic literature of investigations of the empowerment process in banking organisations (Honold, 1997; Klidas et al., 2007; Lashley, 1996; 1999; Moye & Henkin, 2006).

It should be noted that the present investigation was conducted within the context of one private and one government-owned bank. The thematic analysis produced the finding that the empowerment processes in the two banks were very much identical and fell into three similar phases: initiating, implementing and sustaining (contradicting the expectation of the study). These are considered to be the key phases of the empowerment process. Holt et al. (2000) believe that they represent the optimal model of the empowerment process in an organisation. Figure 6.1 illustrates the process found to be operating in the two banks:
Figure 6.1: Empowerment process discovered in the two participating banks

Initiation phase

Selection
- Job factors
- Individual factors

Implementation phase

Dissemination
- Communication
- Training

Devolution
- Monetary
- Non-monetary

Sustaining phase

Review
In each phase, different types of activity were found. It is important to note that in each phase, similar activities were identified in the two banks. During the initiation phase, selection of employees for empowerment was based on two sets of factors: job-related and individual. Next, the implementation phase consisted of two stages: dissemination and devolution of empowerment. Empowerment was disseminated by two methods: communication and training. At the devolution stage, employees exercised their empowerment via two forms of responsibility, namely monetary and non-monetary. Finally, the sustaining phase involved the assessment of empowerment due to the need for further improvement resulting from external forces such as market changes and customer demand.

Each of the phases is now detailed in a separate sub-section.

### 6.5.1 Initiation phase

For Holt (2000), the initiation phase is the most important, as its poor design will lead to the overall failure of empowerment. The thematic analysis revealed that the key aspect of the initiation phase in the two banks was basically to identify and select suitable candidates for empowerment, according to job-related and individual factors. It was found that in both banks, the former very much depended on rank and position, where job ranking represents the layer of hierarchy of the employees and job position refers to the person’s role or function in the department. It was also found that other criteria such as the individual competencies of the employees were more crucial requirement than the above job-related factors in making the decision to empower.

Table 6.6 details the findings of thematic analysis for the initiation phase.
Table 6.6: Summary of findings for the initiation phase

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme</td>
<td>Sub-theme 1st level</td>
<td>Sub-theme 2nd level</td>
</tr>
<tr>
<td>Selection</td>
<td>Job factors</td>
<td>Job ranking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Job position</td>
</tr>
<tr>
<td>Individual factors</td>
<td>Competence</td>
<td>3</td>
</tr>
</tbody>
</table>

Of the 12 interviewees, half (N=6) gave useful responses pertaining to the selection of candidates for empowerment in relation to job factors. Three of these (N=3), all from the private bank, referred explicitly to both ranking and position:

“Empowerment depends on two factors. It depends on the nature of the job position and also on the layer of hierarchy of those employees”. (Senior manager 1 - private bank)

“It (empowerment) is basically tied to two things: your corporate ranking and your job position”. (Senior manager 3 - private bank)

“It (empowerment) is according to your grade and position”. (Senior manager 6 - private bank)

The remaining three, one from the private bank and two from the government-owned bank, mentioned either one of the two factors in their responses:

“Empowerment very much depends on the job function”. (Senior manager 4 - private bank) (job position)

“It (structure) depends on your post in the bank. The higher post you hold, the higher authority (empowerment) you have”. (Senior manager 7 - government-owned bank) (job ranking)

“If you are talking about authorisation (empowerment), it goes by your post and responsibilities, regardless of whether you are temporary or permanent”. (Senior manager 9 - government-owned bank) (job position)
None of the government-employed participants identified both job factors (ranking and position) in one response. However, considering that two of them each mentioned one of these, it can be assumed that the selection of candidates for empowerment in the government-owned bank was also tied to both factors, as in the private bank.

One participant from the private bank explained the meaning of job position with respect to the selection of candidates for empowerment:

“Empowerment depends on the nature of the job. For those in branch departments and recovery officers, where a relationship with the customer is evident, more empowerment is exercised to facilitate their job roles”. (Senior manager 1 - private bank)

The above suggests that for those who made frequent customer contact, empowerment was much more evident than for those with less customer contact or none. Two participants, one from each bank, confirmed this:

“We push empowerment to the lowest possible level, especially for those who are closer to the problems with customers”. (Senior manager 6 - private bank)

“Actually here (head office), we don’t have much authority (empowerment) as compared to those in operation sides (branches)”. (Senior manager 9 - government-owned bank)

It seems that both banks placed the same kind of emphasis on empowerment for employees with evidence of customer contact. This is consistent with the academic literature that highlights the importance of empowerment for frontline employees (see section 3.5). Chebat and Kollias (2000) suggest that customer-contact employees should be given empowerment to adapt their behaviour to the demands of every service encounter. Empowerment is said not only to allow for prompt response during service delivery but also for service recovery (Ueno, 2008), which in turn helps to improve customer satisfaction (Bowen & Lawler, 1992; Melhem, 2004; Moore et al., 1998; Rafiq & Ahmed, 1998). Moreover, there is previous research evidence that empowerment of frontline employees improved customer satisfaction (e.g. Ashness & Lashley, 1995).
It was also discovered that the factors of job ranking and job position alone did not guarantee that empowerment would be given to the employees. Individual factors of competencies, capabilities and maturity were highlighted as the prerequisite criteria for the decision to empower. Siegall and Gardner (2000) define competence as ‘personal capabilities to perform work activities and sense of mastery regarding necessary job skills’ (p. 713). This definition suggests that competence and capabilities are interrelated. Capabilities are therefore categorised under the parameter of competence for the purpose of reporting the findings regarding individual factors. Length of service has been suggested as an index of employee maturity (Vecchio & Boatwright, 2002). Hancer and George (2003) found that those with higher job longevity reported having higher competence than those with shorter service and the differences between the subgroups were statistically significant. This warrants the conclusion that maturity and competence are interrelated and therefore, like capabilities, maturity was categorised under the parameter of competence.

A majority of participants (N=7), three from the private bank and four from the government-owned bank, named competence as a factor in selecting candidates for empowerment. It should be noted that these findings are related to those in respect of objective six (see section 6.4.2). Whilst the latter focuses on responses concerning the employees’ understanding of empowerment (which appeared to include competence), the former addresses those responses specifically related to the empowerment process. With respect to this, only those responses related to objective seven are reproduced here, but it is important to recognise that the statistics reported in Table 6.6 (i.e. seven participants identified competence as a crucial factor determining the decision to empower) included those reported earlier in relation to objective six, as all emphasised the importance of competence in empowerment.

“We give empowerment to the lowest possible level but on top of that it very much depends on their work and competencies”. (Senior manager 6 - private bank)

“You can’t simply empower – there is risk involved. You have to measure the maturity of the subordinates before you can empower”. (Senior manager 7 - government-owned bank)

“I empowered certain things but only for areas that the capabilities of that person would cover”. (Senior manager 8 - government-owned bank)
There was agreement across the two banks that job factors are not the sole criteria for the selection of empowerment candidates; individual factors such as competencies must also be considered for empowerment to be granted. Indeed, the latter seemed to be much more important than the former and this was strongly expressed by one participant:

“If you are not competent, we don’t give you that (empowerment)”. (Senior manager 6 - private bank)

The finding that individual factors were crucially important criteria for the selection of candidates for empowerment was not surprising, as it was consistent with the existing academic literature. Lashley (2001), for example, emphasises the importance of skills and abilities, explaining that empowered employees are encouraged to use a wide range of these to cope with different scenarios. Ashness and Lashley (1995), in a case study of restaurant chains, discovered that employees needed to be judged competent in all aspects of the job (including job knowledge and skills) for them to be empowered. Some found that limited skills and knowledge in frontline employees restricted empowerment (e.g. Ueno, 2008).

6.5.2 Implementation phase

After selection, implementation was the next phase identified in the empowerment process for both banks participating in the study. The thematic analysis revealed two stages of implementation identical in the two banks: dissemination and devolution of empowerment. These had different purposes, the first giving the necessary input about empowerment to employees and the second providing a platform for them to exercise their empowerment responsibilities.

Two key activities were found to occur during the dissemination stage, i.e. communication and training. Their apparent importance has been discussed in the academic literature. Erstad (1997) identifies one of the deficits of empowerment as unclear work, arguing that proper communication of empowerment should occur to minimise this. Similarly, Smith and Moully (1998) identify clear communication to employees as a factor that encourages empowerment in the workplace. Equally important is the need to support the early stage of the process with training to clarify the extent and implications of empowerment in the organisation (Ersted, 1997). Subscribing to a similar view, Huq (2010) argues that it is
essential for leaders to provide relevant education (which includes training) for their employees in order to equip them with necessary skills and knowledge on empowerment before the devolution of empowerment responsibility takes effect. In this study, two forms of empowerment responsibilities were found in the devolution phase: monetary and non-monetary.

Table 6.7 sets out the findings of the thematic analysis for the implementation phase in the two banks participating in the study.

**Table 6.7: Summary of findings on the implementation phase**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme</strong></td>
<td>Sub-theme</td>
<td>Frequency</td>
</tr>
<tr>
<td>Dissemination</td>
<td>Communication</td>
<td>Written and verbal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Either one of the two</td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Devolution</td>
<td>Monetary</td>
<td>Monetary and non-monetary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Either one of the two</td>
</tr>
</tbody>
</table>

Table 6.7 clearly suggests that there was consensus amongst participants from both banks pertaining to the features of the two stages of implementation. During dissemination, both banks revealed that empowerment was disseminated through two methods: communication and training. The analysis identified two common modes of communication, i.e. written and verbal. Half of the participants (N=6) explained their use to disseminate empowerment in their departments:

“A memo is circulated to heads of department, giving written guidelines on empowerment. In some instances, staff are called by phone, seeking clarification. This is where verbal communication of empowerment takes place”. (Senior manager 4 - private bank)

“It is sometimes verbal and sometimes we send out written communication in the form of memos and verbal normally during a meeting”. (Senior manager 5 - private bank)

“We will first let them know via memos (written) and during the meeting (verbal) I will again brief the managers about the empowerment”. (Senior manager 6 - private bank)
“We have circulars and information on the intranet (written) about empowerment. There is also verbal communication. We have meetings, courses and seminars”. (Senior manager 7 - government-owned bank)

“We communicate through meetings (verbal). We also have minutes (written) to provide further reference about empowerment”. (Senior manager 9 - government-owned bank)

“Normally, we inform them verbally, but on top of that, there are also memos (written)”. (Senior manager 11 - government-owned bank)

The remaining interviewees (N=6) mentioned one or other of the modes. Three of them referred to written communication:

“It is communicated in black and white (written). These include memos, policies and procedures”. (Senior manager 1 - private bank)

“There is a written communication saying that you are empowered. It puts clearly the items where you are empowered”. (Senior manager 3 - private bank)

“We have our policies (written) that we put in writing about empowerment. What are the things that we can and cannot do in empowerment, what is the conduct of empowerment in the policies”. (Senior manager 10 - government-owned bank)

The other three (N=3) identified verbal modes of communication:

“We communicate (verbal) it (empowerment) through on-the-job training”. (Senior manager 2 - private bank)

“Usually I have a meeting to brief (verbal) them about certain things that I am going to empower them to do”. (Senior manager 8 - government-owned bank)

“You have to let them know through training (verbal). You have to teach and coach them”. (Senior manager 12 - government-owned bank)
The above responses show that the forms of written and verbal communication described by the participants were similar irrespective of the bank. Written communication was frequently identified in the form of policies and memos, verbal in the form of departmental meetings and on-the-job training. The fact that some participants used both modes of communication to disseminate empowerment and that some used only one mode signified that the choice of modes of communication to disseminate empowerment may have depended on the personal preferences of participants.

The importance of communication in empowerment has been discussed widely in the academic literature. Klagge (1998) recommends that empowerment should be implemented over a significant period of time with clear expectation and good communications. Fawcett et al. (1994) likewise suggest communication as a strategy to facilitate the development of empowerment, whereas Yaacob (2009) explains that ‘communication is essential because empowerment will bring no meaning to employees if the limits of what is and is not allowed are not clearly defined and stated’ (p. 108). In addition to these assertions, there is empirical evidence that substantiate the importance of communication to empowerment. Melhem (2004), for example, reports that empowerment was higher for frontline employees of retail banks in Jordan when communication and dissemination of information were effective. In a study of a chain service restaurant, Ashness and Lashley (1995) found that communication was fundamental to the success of empowerment. Thus, the findings of this study can be seen in essence to support the contention that communication constitutes an important element of the empowerment process.

With respect to the dissemination of empowerment through training, a majority of participants (N=7) confirmed the existence of empowerment training in the two banks.

“Yes definitely. They have to undergo empowerment training. One kind is called the ‘buddy system’. For example, I am retiring next year, so I buddy myself with somebody down there. Assuming his authority is only a hundred thousand and mine is two hundred thousand, I will then let him exercise my authority on a trial basis. However, if I find that there are certain things that he needs to look into, I will let him know and explain what went wrong. At the end of the trial, I will inform management whether the person is ready for the next level. This buddy system happens throughout the entire bank. A senior manager trains his manager; the manager trains his senior executive and so on”. (Senior manager 2 - private bank)
“Yes, there is training for every different position within the bank. For example, ... a teller will only be given empowerment when confirmed in the job. The confirmation comes with the job training. The teller will be put through a minimum three months on-the-job training and we assign mentors to monitor them. We also take them to our training centre for three weeks to have this classroom training. In the classroom, we have this virtual branch system. We will put them through how to use the system, to make them familiar with the system, policies and procedures. They will then have to sit an exam and need to pass a certain threshold for them to qualify to be confirmed for the job”. (Senior manager 3 - private bank)

“Yes, the staff go through on-the-job training”. (Senior manager 4 - private bank)

“Recently, we have been empowered to recruit branch managers, who we can approve without going to head office. So, the training department organises training at head office. They called in human resource specialists and consultants for two days training, to conduct a training session on how we can judge people during the interview. We were taught all the interview skills and psychological skills”. (Senior manager 5 - private bank)

“Whatever areas you think you are lacking in, you have to apply for training. And of course training will help you through the process (empowerment), but you must go through the experience”. (Senior manager 7 - government-owned bank)

“We have this management development programme (training) that covers four modules and one of them is leadership where one of the sub-modules is on empowerment. We also have other areas of finance, marketing and banking. All our managers nationwide have to undergo this management development programme”. (Senior manager 8 - government-owned bank)

“We have our empowerment training. We learn about managerial skills and those in tandem with empowerment. We have our own training programme with our training centre and also with an outside consultant”. (Senior manager 12 - government-owned bank)

The above quotes highlight some interesting points which differentiate the type of training held across the two banks. There were more extensive designs of empowerment training reported in the private bank than the government-owned one. The training offered in the former took two forms: normal classroom learning and on-the-job training. Interestingly,
the on-job training module was designed not only for the employee level (mentor-mentee programme) but also for those in managerial positions (e.g. buddy system between senior manager and manager). It is worth noting that on-the-job training activities such as coaching and mentoring are claimed to be necessary vehicles to encourage and develop empowering behaviours in others (Huq, 2010). In contrast to the private bank, only the normal classroom type of empowerment training was reported to take place in the government-owned bank, with emphasis given to those at managerial level.

Whilst almost two-thirds (N=7) of participants (four from the private bank and three from the government one) thus confirmed that empowerment training was given in their banks, there were surprisingly four others who denied the existence of any training:

“There is no formal training. But ... this is what empowerment is all about, it is about what you can do”. (Senior manager 9 - government-owned bank)

“There is leadership training about how you should discharge your authority. But that is more on leadership, but specific to empowerment, I don’t think there is any”. (Senior manager 10 - government-owned bank)

“No. We don’t have any training on empowerment. You need to ask here and there and ask for more experienced people to learn about empowerment”. (Senior manager 11 - government-owned bank)

One remaining participant responded slightly differently from the above three, admitting that no training was given, but acknowledging that support and assistance were provided:

“There is no training on empowerment, but there is support and assistance in the form of letting you know via memos or via procedures of what you can and cannot do in empowerment”. (Senior manager 6 - private bank)

In isolation, one participant (from the private bank) reserved his comments when the question pertaining to empowerment training was asked. The same participant also refused to allow the interview to be tape-recorded. During the interview, it was observed that he was reluctant to share much information. Many of his responses were brief, even though
on several occasions, the researcher attempted to probe further to get more information. It appeared that the interviewee was concerned about the confidentiality of information, despite confidentiality having been assured by the researcher at the beginning of the interview and explained in the participant’s sheet and consent form which had been distributed beforehand. As participants for the study were selected by their human resources departments, their details were therefore known. This may have negatively influenced the reaction of this particular interviewee.

Although four participants denied the existence of empowerment training, at least half of the interviewees from each bank stated that there was training, so it can be asserted that there was empowerment training in both banks. Perhaps those who denied its existence were simply unaware of the training opportunities available, or perhaps the availability of empowerment training did not extend to these participants.

Training is seen as essential for the process of empowerment to evolve (Hamudda & Dulaimi, 1998). The use of appropriate training programmes ensures that ‘front-line employees have the requisite personal characteristics and skills to cope with empowerment’ (Rafiq & Ahmed, 1998, p. 692). Sykes, Simpson and Shipley (1997) claim that a great deal of training is required to break away from the traditional ways of working and to create empowered employees. Managers are said to be able to empower employees when they share information and offer relevant training opportunities and when these practices form part of the empowerment process (Quinn & Spreitzer, 1999). A recent study by Baird and Wang (2010) of factors influencing empowerment revealed that training provided integral support to empowerment practices in Australian manufacturing organisations. The finding that training was part of the empowerment process in the two banks in the present study is therefore consistent with the academic literature. Specifically, the study further positions training as one of the key features of the implementation phase of the empowerment process.

In addition to dissemination, the implementation phase was found to include the devolution of empowerment. Devolution is seen as an important part of the process of enabling employees to be empowered (Huq, 2010). It is basically the stage where employees are given responsibility to exercise empowerment. Kondo (1997) suggests that devolving empowerment responsibility can be a mechanism for helping employees to
become self-confident and Huq (2010) explains that the ‘positive effects of self-efficacy and self-esteem can enable employees to cope with the extra responsibilities that empowerment brings’ (p. 16-17). The present thematic analysis uncovered two identical forms of empowerment responsibility, monetary and non-monetary, described by more than half of participants (N=7) for the devolution phase in the two banks.

“Different people have different empowerment to act. Some are empowered to approve claims (monetary) and some empowered to move people around (non-monetary)”. (Senior manager 1 - private bank)

“Apart from monetary value, there are instances where people are empowered to make a decision whether the bank will go into disaster recovery mode, which is not financial (non-monetary), obviously”. (Senior manager 2 - private bank)

“Empowerment is generally related to financial aspects (monetary). There is also empowerment that is related to non-financial aspects (non-monetary). For example, in terms of staff recruitment, we (branch managers) are empowered to recruit people like clerical staff”. (Senior manager 3 - private bank)

“Empowerment involves two types: financial (monetary) and non-financial (non-monetary)”. (Senior manager 4 - private bank)

“We are empowered to approve loans (monetary). We are also empowered to recruit people, ... to move people around and ... to promote people (non-monetary)”. (Senior manager 5 - private bank)

“We have branch managers who are empowered to approve loans (monetary) but there are also other forms of empowerment such as signing the medical sheets of the staff or approving time off (non-monetary) for staff to leave the office for an hour for urgent appointments”. (Senior manager 7 - government-owned bank)

“Some are empowered to manage policies and procedures (non-monetary) and some are empowered to implement policies and procedures (monetary and non-monetary)”. (Senior manager 10 - government-owned bank)
The remaining half of the participants (N=5) mentioned only one of the two forms of empowerment responsibilities:

“We are empowered to authorise administrative matters such as small operating expenses (monetary)”. (Senior manager 6 - private bank)

“When I was in XX department, I empowered this one clerical fellow. I empowered him to carry out some projects (non-monetary) in the XX department and apparently he succeeded and now he has been promoted to an officer”. (Senior manager 8 - government-owned bank)

“We don’t have as much empowerment here as at branch departments, but in terms of bank information, some are empowered to access important bank information (non-monetary) whilst others may have restricted access to it”. (Senior manager 9 - government-owned bank)

“Like bank drivers, they are empowered to decide on which mechanics they want to go to service the banks’ cars (non-monetary). They can suggest and go there”. (Senior manager 11 - government-owned bank)

“There is a group of people that are given the authority (empowerment) to approve loans up to a certain limit and there is another group of people who are authorised (empowered) to disburse a certain amount of loan (monetary)”. (Senior manager 12 - government-owned bank)

Loan approval was found to be the most common monetary form of empowerment responsibility in the two banks. Others were loan disbursement and approval for claims and small operating expenses. With respect to the non-monetary form, there appeared to be a split across the banks. In the private bank, they revolved around the perspective of managers managing their staff. It was pointed out that managers were granted non-monetary forms of empowerment responsibilities that included staff recruitment, movement and promotion. In the government-owned bank, a much wider range of non-monetary forms of empowerment responsibilities was discovered. Some were held at managerial level, such as approval of employees’ time off and others were at employee (officer and clerical) level, such as tasks for special projects, access to restricted information, developing and managing policies and procedures. It is interesting to note that some sort of non-monetary form of empowerment responsibility was also given to those at
non-clerical level, such as drivers, who were given the discretion to decide on which mechanics should service company cars. This suggests that there was a better range of empowerment opportunities made available in the government-owned bank than the private one.

6.5.3 Sustaining phase

Cook (1994) suggests that to improve the empowerment process, a final review should form part of the process of empowerment. Among authors who concur are Govindarajulu & Daily (2004), who argue that in the interest of long-term success, most managerial programmes (including empowerment) need to have some form of review and feedback for continuous improvement. Holt et al. (2000) specifically identify continuous improvement as part of the sustaining phase of the empowerment process. Consistent with the academic literature, the thematic analysis revealed a sustaining phase as the final part of the empowerment process, with review emerging as the key activity in the two banks. Table 6.8 summarises these findings.

Table 6.8: Summary of findings for sustaining phase

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme</td>
<td>Frequency</td>
<td>Frequency</td>
</tr>
<tr>
<td>Review</td>
<td>Yes</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>No/Not sure</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 6.8 shows that a similar pattern of responses occurred in the two banks, in line with the findings on initiation and implementation. Overall, a large proportion of the sample (N=10) irrespective of ownership structure (five from each bank), confirmed the revision of empowerment:

“We have previously experienced it (revision) during changes of organisational structure. Staff members are also allowed to ask for revision from time to time”. (Senior manager 1 - private bank)

“Yes. It was revised several times, in accordance with the needs of the bank. For instance, twenty years ago, a house cost only twenty thousand but today it costs hundreds of thousands. So, if you live in the past and still allow your manager only fifty thousand approval authority, of course,
he can’t be doing his job as effectively as a person who moves with the times”. (Senior manager 2 - private bank)

“It (empowerment) is continuously being reviewed. I would say that empowerment doesn’t just stay fixed. It is very much a reflection of needs. When the market environment changes or when we see there is a need for it to be changed, we will make recommendations for changes”. (Senior manager 3 - private bank)

“Yes, certainly. It is understood that the procedure (revision) is there. Improvement is very important”. (Senior manager 4 - private bank)

“It (empowerment) changes (review) according to market changes. Now our role is very much into sales and marketing, so our empowerment cannot be the same as it was a few years ago”. (Senior manager 5 - private bank)

“There are a lot of changes going on. Of course, when we talk about empowerment policy and procedures, it always keeps on changing (review)”. (Senior manager 7 - government-owned bank)

“Yes. They have been revising the authority (empowerment). Previously, branches could only approve retail loans. Then branches gave feedback that they needed the authority to approve other types of loan as well to meet demand from the clients. Now, they (management) have increased the authority for the branches. There are consultations between top and bottom”. (Senior manager 9 - government-owned bank)

“Our business is very dynamic. You need to review empowerment quite often. I can’t remember how many times it (empowerment) has changed”. (Senior manager 10 - government-owned bank)

“When it comes to approving authority, it (empowerment) has been revised from time to time, according to the needs at that time”. (Senior manager 11 - government-owned bank)

“If you are asking me whether we have revision, it is a continuous process. On and off we must, because technically in banking circles, we have to follow the market. What the market dictates and rules – as simple as that”. (Senior manager 12 - government-owned bank)
It was observed that the sustaining phase was intended to ensure that the two banks would remain competitive in the market. The reviews were completed on a continuous basis, initiated in response to changes in external market forces. It was discovered that review was commonly described as revising the existing empowerment granted. There were two types of review: financial and non-financial. The former included revising limits of empowerment (e.g. increased financial limits) and the latter included extending the existing scope of empowerment to those previously less empowered or without empowerment (e.g. branch departments were given a greater range of empowerment, similar to those in the head office).

As noted above, one interviewee from each bank provided a different response. Senior manager 6, from the private bank, admitted that he was unsure whether any review had been made to empowerment. This may be considered an exceptional case. This particular manager had worked at the bank for only two years and it is quite possible that no revision of empowerment had been completed during that time. All of his colleagues (i.e. senior managers 1 to 5) reported that revision had taken place and it is notable that they all had much longer service than he did, of at least 19 years.

Senior manager 8, from the government-owned bank, surprisingly claimed that no revision of empowerment had occurred as far as he was concerned, despite having 23 years of service with the bank. However, further investigation of the interview data suggests that he had been referring to the revision of empowerment within his own department, rather than in the bank as a whole:

“Sad to say, we haven’t. For your information, we have just embarked on a departmental transformation process, so now we are in the midst of reviewing and revisiting our (departmental) policies. So, as for your question about whether there is revision, the answer is no. But it may be in the pipeline”. (Senior manager 8 - government-owned bank)

The findings on the sustaining phase strongly confirm the existence of the review of empowerment in the two banks, considering the large number of participants (N=10) who stated that such reviews took place. These findings are also consistent with the assertion in the literature that review is an important part of empowerment (Cook, 1994). Finally, they
suggest that irrespective of the ownership structure of the banking organisation, empowerment needs to be revised in response to the dictates of the market.

**6.5.4 Constraints on the empowerment process**

Although the two banks implemented the three phases of empowerment that were regarded as optimal (Holt et al., 2000), concerns were raised by participants from both banks pertaining to the existing empowerment process and the existence of issues that were felt to limit the effectiveness of the process. These issues may be considered as constraints on the existing empowerment process. Thorlakson and Murray (1996) assert that ‘the lack of awareness of constraints surrounding the empowerment process can lead to failure and abandonment of a valuable form of influence that leaders may use when inducing and managing organisational change’ (p. 68). Simply put, it is essential to recognise the constraints to empowerment in order to realise the full potential that empowerment can brings to the organisation.

The study found two constraints that were frequently mentioned by participants from both banks: lack of acceptance by employees and inadequate systems of monitoring, with the former being mentioned more often. Each of these is discussed below in a separate subsection.

**6.5.4.1 Lack of acceptance by employees**

Several academics have identified lack of acceptance by employees as a constraint on empowerment (Fragoso, 1999; Johnson, 1994; Klagge, 1998; Ueno, 2008). It has been suggested that employees might oppose empowerment for fear of being blamed for mistakes and that they see empowerment as a burden of responsibility. Johnson (1994), for example, explains that employees are reluctant to accept empowerment as they fear being blamed if they were to make a wrong decision. Ersted (1997) argues that employees tend to interpret empowerment as an extra responsibility that increases their workload. In interviews with middle managers of mass service organisations, Ueno (2008) found that employees were reported to refuse empowerment strongly, because they saw it as a burden.
Consistent with the academic literature, the present study identified lack of acceptance by employees as a constraint on empowerment and extended this to the contexts of both private and government-owned banks. The findings are presented in Table 6.9.

### Table 6.9: Summary of findings regarding lack of acceptance by employees

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme</td>
<td>Frequency</td>
<td>Frequency</td>
</tr>
<tr>
<td>Lack of acceptance by employees</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

The table shows that five participants mentioned lack of acceptance by employees as a constraint on empowerment, a higher number of them being from the private bank (N=3) than the government-owned bank (N=2):

- “The acceptance of empowerment depends on the individual. There are people who refuse empowerment”. (Senior manager 1 - private bank)

- “There are people who just reject empowerment every time it comes to them. They are afraid that empowerment might cause them harm”. (Senior manager 2 - private bank)

- “They are not actually rejecting empowerment. To me, they are voicing their concern”. (Senior manager 6 - private bank)

- “Sometimes when you empower them, they don’t like the empowerment given and they want to give it back. There are such cases”. (Senior manager 8 – government-owned bank)

- “There are cases where people don’t like it (empowerment). However, I think it all depends on the person. The more responsible person will not have that kind of reaction”. (Senior manager 11 – government-owned bank)

The above excerpts indicate that the acceptance of empowerment varied: some employees welcomed it, while others resisted it. The acceptance of empowerment depended largely on the individual employee and this was true in both banks. Those who were opposed to empowerment would refuse to participate in the programme or not be comfortable with taking new responsibilities and prefer to depend on the decisions of others. Some would
refuse to participate because they were afraid to be blamed for making mistakes. This was explained by one participant:

“Empowerment comes with responsibilities and commitment. If your decision is right, then it is okay, but if your decision is wrong then you have to be answerable for the wrong decision that you have made”. (Senior manager 7 - government-owned bank)

To address the lack of acceptance of empowerment, organisations and managers in particular should play a role. Klagge (1998) suggests that a good way to deal with ‘unwilling’ employees is by providing more encouragement including training, confidence-building and support from managers. Appelbaum et al. (1999) point out that employees’ efforts towards empowerment must be reinforced rather than punished if mistakes happen. In similar vein, Darling (1996) and Quinn and Spreitzer (1997) highlight the need for organisations to allow room for their employees to learn and grow if they want them to acknowledge empowerment.

6.5.4.2 Inadequate systems of monitoring

The second constraint found in the study was an inadequate monitoring system, in both banks. Table 6.10 illustrates this finding.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Private bank (N=6)</th>
<th>Government-owned bank (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theme</td>
<td>Frequency</td>
<td>Frequency</td>
</tr>
<tr>
<td>Inadequate monitoring system</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Only a quarter of participants (N=3) mentioned an inadequate monitoring system as a constraint on the empowerment process. Having said that, these responses are worth considering, given the degree of influence that this constraint may have on the process. As with lack of acceptance, there were more responses from the private bank (N=2) than the government-owned bank (N=1) regarding inadequate monitoring systems.

“Empowerment needs to be monitored at least at an ad hoc level, otherwise the results can be detrimental”. (Senior manager 1 - private bank)
“There is a lack of reporting to monitor empowerment in the bank. Though this may be considered a minimal problem in its current state, it cannot be ignored”. (Senior manager 4 - private bank)

“If empowerment is given without monitoring, it is going to be a failure”. (Senior manager 8 - government-owned bank)

The above responses emphasise the importance of a monitoring system in the process of empowerment and indicate that without one the organisation may be harmed. Monitoring of empowerment is crucial to check whether the employees have been using it as expected, according to the policies and procedures, or whether they have abused the empowerment given to them. The former would definitely be good for the organisation, whereas the latter would put its operations at risk.

Most importantly, the findings are in accord with the academic literature. For instance, Cook (1994) identifies monitoring as an essential stage in the empowerment process. Rowlands (1995) agrees on the essential role of a monitoring system and further explains the need for the process to be modified and revised as it proceeds. The study therefore provides evidence that monitoring is crucial for the process of empowerment to be effective.

### 6.5.5 Summary of findings on objective eight: To reveal the empowerment process within Malaysian banks

Regarding the empowerment processes within the two Malaysian banks explored in the study, it was found that they were broadly identical (contradicting the expectation of the study), each comprising three similar phases: initiation, implementation and sustaining, which are regarded as the key phases in an optimal model of the empowerment process (Holt et al., 2000). Each phase was also found to comprise activities of similar type: initiation was concerned with the selection of candidates for empowerment, implementation included dissemination and devolution of empowerment responsibility, and sustaining pertained to the review of the empowerment process.

The broad similarity of findings related to objective eight between the private and government-owned banks raises an important point. It appears that ownership structure
had little influence in formulating the phases of the empowerment process. The fact that the two organisations were identical in the nature of their business (banking) and subject to supervision by same regulatory body, i.e. the Central Bank of Malaysia (BNM) (Malaysian Ministry of International Trade and Industry, 2009), may help to explain the similar empowerment processes.

Another finding which should be noted here is that two constraints pertaining to the empowerment process were reported: lack of acceptance by employees and inadequate systems of monitoring. Both are identified in the academic literature as common constraints on the empowerment process (Cook, 1994; Klagge, 1998; Ueno, 2008; Quinn & Spreitzer, 1999). It has been explained that employees are often reluctant to accept empowerment because they fear being blamed for making wrong decisions and that they interpret empowerment as an extra responsibility, increasing their workload (Ersted, 1997; Johnson, 1994). Thus, review and monitoring must be formulated as part of empowerment in order to work towards continual improvement of the process (Cook, 1994; Holt et al., 2000). The current findings, at least within the context of the study, provide evidence to substantiate the assertion that lack of acceptance by employees and inadequate systems of monitoring are constraints on the empowerment process.
6.6 Summary

This chapter has given an analysis of the qualitative data collected through the secondary research method of the study, i.e. the semi-structured interviews, designed in response to the two qualitative research objectives:

Objective seven: To identify the understanding and definition of empowerment among bank managers;
Objective eight: To reveal the empowerment process within Malaysian banks.

The interviewees were six senior managers from each of the two participating banks, a private and a government-owned one. The qualitative data was subjected to thematic analysis (Bryman, 2008; Gibson, 2006; King, 2004; Lewis-beck et al., 2004b; Miles & Huberman, 1994; Thorpe & Holt, 2008) whose structure was formulated in accordance with these objectives.

Personal demographic information captured during the interviews showed that participants from the private bank tended to be younger on average than those from the government-owned bank. There was a higher proportion of male participants than females in both banks; indeed, all of those from the private bank were male. Malays constituted the majority of participants in both cases.

In terms of organisational demographic information, there was equal representation of private bank participants from head office and branch departments, while all government-owned bank interviewees worked at the head office. On average, participants from the private bank were found to have shorter service than those from the government-owned bank.

The thematic analysis relating to objective seven, i.e. to identify the understanding and definition of empowerment among bank managers, uncovered three similar themes that were frequently invoked: authority, competence and trust, with authority being the most common (inconsistent to the expectation of the study). All 12 participants tended to define empowerment using the theme of authority, while some were also found to relate it to those of competence (N=7) and trust (N=8). It is worth remarking that more participants
from the government-owned bank \((N=4, N=5)\) than the private bank \((N=3, N=3)\) demonstrated their understanding of empowerment using the themes of competence and trust.

The finding that all participants defined empowerment in terms of authority suggests that their understanding was aligned with the structural approach to empowerment. This approach, which generally emphasises the concept of sharing power between superiors and subordinates through the delegation of authority in an organisation (Ahearne et al., 2005; Ergeneli et al., 2007; Knol & Linge, 2009; Menon, 2001; Mills & Ungson, 2003), is therefore seen to fit with the descriptions given by all interviewees. It is also interesting to note that some participants \((N=7)\) related empowerment to the concept of competence and identified this as a crucial prerequisite of empowerment; they could be said to have adopted the psychological approach to empowerment, competence being one of its dimensions, alongside the concepts of meaning, self-determination and impact. This is explained by Thomas & Velthouse (1990), who define the psychological approach to empowerment as the intrinsic motivation manifest in these four dimensions and reflecting employees’ orientation to work. Rather than emphasising the concept of power as does the structural approach, the psychological approach reflects the mindset that employees have about their organisation, i.e. whether or not they perceive themselves as being empowered (Dee et al., 2003; Ergeneli et al., 2007; Spreitzer, 1995).

Meanwhile, the findings of the thematic analysis regarding objective eight were that the empowerment processes of the two banks were very much identical (contradicting the expectation of the study). In each case, the process appeared to consist of three phases: initiation, implementation and sustaining, which Holt et al. (2000) consider as the key phases in an optimal model of empowerment. Again, the activities comprising these phases were found to be similar in the two banks. During the initiation phase, candidates for empowerment were selected, then implementation was concerned with the dissemination and devolution of empowerment responsibilities. During the final phase, sustaining, the process was reviewed in order to improve it further and to address the changes needed in response to external market forces and customer demand.

The selection of empowerment candidates was found to be based on factors of two types: job factors and individual factors. The former were related to the job ranking and job
position of the candidates, the latter to their competence level. Both banks were found to consider these two types when selecting candidates for empowerment, with the individual factor of competence being dominant. Not only has competence been advocated as an important feature of empowerment (Lashley, 2001); it has also been empirically proven that employees need to be competent for them to be empowered (Ashness & Lashley, 1995). It is therefore unsurprising that this individual factor was more significant than the job factors (ranking and position) in selecting candidates for empowerment within the context of this study. It was also reported that the two banks preferred to empower those with greater evidence of customer contact. Again, this parallels the notion in the academic literature that empowerment is more important for employees making more frequent customer contact than those with less such contact (Chebat & Kollias, 2000; Melhem, 2004; Ueno, 2008).

In relation to the implementation phase, empowerment was disseminated through two activities: communication and training, which have been claimed to be important for empowerment to be effective (Baird & Wang, 2010; Fawcett et al., 1994; Hamudda & Dulaime, 1998; Klagge, 1998). Two modes of communication were discovered, i.e. written and verbal, whilst devolution of empowerment responsibilities took two forms: monetary and non-monetary. Huq (2010) identifies devolution as an important stage of the empowerment process, enabling employees to be empowered.

With respect to the sustaining phase, its sole activity was identified as a continuous review of the empowerment process, in order to maintain competitiveness in the market. Similarly, Govindarajulu and Daily (2004) highlight the need for empowerment to have some form of review for continued improvement.

Not only was the empowerment process found to be similar in the two banks in being composed of initiation, implementation and sustaining phases, but similar concerns were raised by the participants in relation to these phases. It was explained that the process was subject to a few constraints which were believed able to prevent it from being as effective as otherwise expected. These constraints, lack of acceptance by employees and inadequate systems of monitoring, have been discussed by academics as common constraints on empowerment (Cook, 1994; Ersted, 1997; Fragoso, 1999; Johnson, 1994; Klagge, 1998; Rowlands, 1995; Ueno, 2008). To address lack of acceptance by employees, Klagge (1998) suggests providing them with more encouragement, including training, confidence-building
and support from their managers to facilitate their acceptance of empowerment. It is explained that organisations need to allow room for their employees to learn and grow if they want them to acknowledge empowerment (Darling, 1996). Interestingly, Bower and Lawler (1990) and Melhem (2004) emphasise the importance of reward in encouraging empowerment. ‘Empowered employees must be compensated for their increased responsibility and accountability, therefore they require incentives to take risks and be creative’ (Quinn & Spreitzer, 1999, p. 6). It has been pointed out that without a basic level of control (i.e. monitoring), employees experience chaos rather than empowerment (Quinn & Spreitzer, 1999). Realising the importance of monitoring empowerment, Cook (1994) includes review and monitoring as essential stages in the empowerment process. Similarly, Holt et al. (2000) highlight the need to recognise review and monitoring formally in the empowerment process in order to work towards its continuous improvement.

Within the context of this study, the ownership structure of the banks seemed to have little influence on the findings, as the two banks were discovered to generate broadly similar findings regarding objectives seven and eight. Possibly, the fact that the two organisations were identical in the nature of their business (banking) and subject to supervision by and reporting to the same regulatory body (BNM) may explain the similarity in the findings.

Regarding departmental affiliation and length of service, demographic status, however, appeared to influence the participants’ definition of empowerment: a broader definition was given by managers of the government-owned bank than of the private bank. It was found that these participants were affiliated to head office departments, where empowerment was centrally designed and it may be that the dissemination of empowerment was more accessible and easily achieved. These participants also had longer service on average than their counterparts from the private bank. Ergeneli et al. (2007) assert that employees with greater length of service are better adapted to the work atmosphere and to learning through experience, which creates the feeling of empowerment. It is plausible that the longer-serving interviewees had experienced more empowerment and that this gave them a broader understanding of empowerment in comparison with those with fewer years of service.

In presenting the findings of the semi-structured interviews, this chapter completes the analysis of findings for the current study. The next discusses the implications of the
findings from the main and secondary research methods employed in the study (questionnaire and semi-structured interview). In particular, it will consolidate the quantitative and qualitative findings, the latter complementing the former where appropriate. Importantly, the chapter will explain how the two sets of findings help to address the research objectives.
7 DISCUSSION

7.1 Introduction

This penultimate chapter presents a discussion of the findings of the main and secondary research methods employed in the study, i.e. the questionnaire and semi-structured interviews respectively, while the final chapter concludes the thesis with emphasis on the implications and limitations of the study and suggestions for future research. Specifically, this chapter aims to synthesise the findings of the two research methods and to provide interpretive explanations of them in the context of the relevant literature and prior research, which have been reviewed in depth in chapters two and three of this thesis.

The chapter begins with a summary of the findings of the questionnaire and interviews for the two participating banks. The crucial section of the chapter follows, reflecting on the findings under four heads: (1) consistency with literature, (2) links with interview data, (3) the Malaysian context and (4) similarity across banks. The first applies specifically to the questionnaire and interview data, examining their consistency with the material reviewed in chapters two and three. The second area relates to the use of interview data to explicate the findings. The third examines the findings in the national context, considering how they manifest themselves particularly within Malaysian culture, belief and practice. The fourth considers the extent of similarity between the two banks. There follows an overall reflection on the findings, highlighting their essence. Next, implications from the study in terms of theoretical, methodological and practical contributions are discussed. The chapter ends with a brief summary.

7.2 Overview of findings

Before discussing the findings of the study, it is imperative to offer an overview of them in order to recapitulate the information available previously and to fully understand the later discussion. The overview covers the results of data analysed from 421 and 425 questionnaires collected from the private and government-owned bank respectively, i.e. 846 questionnaires in total, and from 12 interviews conducted with the senior managers of the two banks. As explained in section 4.3, the study employed a concurrent embedded strategy of mixed methods emphasising quantitative data over qualitative data (Creswell,
More precisely, the collection of the qualitative data by semi-structured interview was embedded as a secondary method within the collection of quantitative data by questionnaire as the primary method. Therefore, the discussion here revolves predominantly around the findings of the primary method. Nevertheless, those of the secondary method are not neglected and will also be addressed in the discussion.

Table 7.1 summarises the overall findings of the questionnaire, the primary method of data collection, through the results of hypothesis testing. The main findings are reflected in the conceptual framework formulated at the beginning of the study and described earlier (see section 3.6), shown in Figure 7.1.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Hypothesis</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective one</td>
<td>There is a difference in employee empowerment between private and government-owned banks</td>
<td>Supported</td>
</tr>
<tr>
<td>Objective two</td>
<td>Older employees will perceive higher empowerment than younger ones</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>Females will perceive higher empowerment than males</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>Members of the majority ethnic group will perceive higher empowerment than members of minorities</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>Employees with longer tenure will perceive higher empowerment than those with shorter tenure</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Employees with higher job positions will perceive greater empowerment than those in lower job positions</td>
<td>Rejected</td>
</tr>
<tr>
<td>Objective three</td>
<td>Empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>The meaning facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>The impact facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>The self-determination facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>The competence facet of empowerment is positively related to leadership behaviour (i.e. transformational leadership and empowering leadership)</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
Objective four | H4 | Empowerment is positively related to intrinsic motivation | Supported
---|---|---|---
Objective five | H5 | Leadership behaviour (i.e. transformational leadership and empowering leadership) mediates the relationship between empowerment and intrinsic motivation | Supported
Objective six | H6 | Empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation | Supported

**Conceptual framework: Proposed model**

The mediator role of leadership behaviour in the relationship between empowerment and intrinsic motivation

**Competing model:**

The mediator role of empowerment in the relationship between leadership behaviour and intrinsic motivation

**Figure 7.1: Conceptual framework of the study with findings**
It is clear from Table 7.1 that the majority of results support the hypotheses. H1 is fully supported, where the significance of the differences in empowerment was reported between the private and government-owned bank (objective one). In terms of demographic categories (age, gender, ethnicity, organisational tenure and job position) and empowerment (objective two), the results of testing the hypotheses suggest a mixed pattern. H2a (age) and H2c (job position) are partially supported, given that only one instead of both banks reported findings consistent with the hypothesis formulated. H2b (gender) and H2c (ethnicity) meanwhile are fully rejected in that the findings from both banks contradicted the hypothesis. H2d (organisational tenure), on the other hand, was given full support in the two banks.

Figure 7.1 presents the results of testing the hypotheses for relationships between constructs. With respect to relationships between empowerment and leadership behaviour, i.e. transformational leadership and empowering leadership (objective three), empowerment was found to be positively related to both the transformational leadership and empowering leadership behaviour, thus providing full support for H3a. In relation to the association between facets of empowerment and leadership behaviour, i.e. transformational leadership and empowering leadership, full support for hypotheses H3b, H3c and H3d was discovered for three facets of empowerment, meaning, impact and self-determination; the strongest association was between leadership behaviour and impact. The surprising exception was finding inverse link between the competence facet and empowerment, so the hypothesis posited (H3e) was rejected; this was true for the two leadership behaviours of transformational leadership and empowering leadership. As with the findings for H3a, the relationship between empowerment and intrinsic motivation (objective four) was also found to have a positive relationship, and was thus consistent with H4. Finally, in relation to the mediating role of leadership behaviour in influencing the relationship between empowerment and intrinsic motivation (objective five), evidence of mediation was found, consequently providing supports for H5. Mediation effects were also reported when empowerment is positioned as the mediator variable in the relationship between leadership behaviour and intrinsic motivation (objective six), whereby H6 is also supported. It should be noted that the mediation findings were true for the two leadership behaviours, transformational and empowering.
Table 7.2 summarises the key findings of the secondary research method, the semi-structured interviews. A strong consensus in the key findings from the semi-structured interviews was evident in relation to the two banks. In respect of objective seven, regarding the managers’ understanding of empowerment, the same three themes were commonly invoked by the interviewees. These were authority, competence and trust, with authority being the most dominant. More participants from the government-owned bank than the private bank demonstrated their understanding of empowerment using the themes of competence and trust. An explanation for this difference is offered below in section 7.3.1.10.

Table 7.2: Summary of interview findings

<table>
<thead>
<tr>
<th>Research objective</th>
<th>Key findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research objective seven:</td>
<td>The study revealed three similar themes pertaining to the meaning of empowerment that were frequently invoked by the participants of the two banks: authority, competence and trust, with authority being the most common.</td>
</tr>
<tr>
<td>To identify the understanding and definition of empowerment among bank managers</td>
<td>It is worth remarking that more participants from the government-owned bank than the private bank demonstrated their understanding of empowerment using the themes of competence and trust.</td>
</tr>
<tr>
<td>Research objective eight:</td>
<td>The empowerment process was found to consist of three phases, identical in the two banks: initiation, implementation and sustaining.</td>
</tr>
<tr>
<td>To reveal the empowerment process within Malaysian banks</td>
<td>The main activities comprising these phases were found to be similar across the two banks:</td>
</tr>
<tr>
<td></td>
<td>• Initiation – selection of candidates for empowerment</td>
</tr>
<tr>
<td></td>
<td>• Implementation – dissemination and devolution of empowerment responsibilities</td>
</tr>
<tr>
<td></td>
<td>• Sustaining – review of the empowerment process</td>
</tr>
<tr>
<td></td>
<td>Two constraints pertaining to the empowerment process unearthed from the two banks:</td>
</tr>
<tr>
<td></td>
<td>• Lack of acceptance by employees</td>
</tr>
<tr>
<td></td>
<td>• Inadequate systems of monitoring</td>
</tr>
</tbody>
</table>

In relation to objective eight, concerning the empowerment process within Malaysian banks, similarities were again found between the two banks, where the empowerment process appeared to consist of the same three phases: initiation, implementation and sustaining. According to Holt et al. (2000), the three phases represent the optimal model of empowerment process. Additionally, the three phases were found to feature the same key activities. During the initiation phase, candidates for empowerment were selected, then
implementation was concerned with the dissemination and devolution of empowerment responsibilities. During the final phase, sustaining, the process was reviewed in order to improve it further and to address the changes needed in response to external market forces and customer demand. The findings from objective eight also suggest the existence of constraints to empowerment that were potentially damaging to the process, i.e. lack of acceptance by employees and inadequate systems of monitoring, with the former being mentioned more often. Importantly, academics have identified these two as common constraints to empowerment process that require attention and not to be ignored by the organisation (Cook, 1994; Fragoso, 1999; Johnson, 1994; Klagge, 1998; Rowlands, 1995; Ueno, 2008).

7.3 Reflections on the findings in relation to literature review, interview data, Malaysian context and similarities across banks

This part of the chapter takes each of the research objectives in turn and relates them to the literature reviewed, amalgamating the interview data, fitting the findings into the Malaysian context and finally identifying the similarities and differences across the two banks. In the Malaysian context, the reflections are considered in terms how the findings manifest themselves within the cultural orientation of Malaysian society that includes the norms, belief and practice. Table 7.3 summarises the research objectives under these four heads.
### Table 7.3: Research objectives in relation to literature review, interview data, Malaysian context and similarities across banks

<table>
<thead>
<tr>
<th>Research objective</th>
<th>Bank</th>
<th>Consistent with literature</th>
<th>Links with interview data</th>
<th>Malaysian context</th>
<th>Similarity across banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective one:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine differences in employee empowerment between private and government-owned banks</td>
<td>NA</td>
<td>Yes/No</td>
<td>Yes</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective two:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine differences in employee empowerment across demographic of age</td>
<td>Private</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Government</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective two:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine differences in employee empowerment across demographic of gender</td>
<td>Private</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Government</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective two:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine differences in employee empowerment across demographic of ethnicity</td>
<td>Private</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Government</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective two:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine differences in employee empowerment across demographic of organisational tenure</td>
<td>Private</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Government</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective two:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine differences in employee empowerment across demographic of job position</td>
<td>Private</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Government</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective three:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To examine the relationship between empowerment and leadership behaviour</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective three:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To examine the relationship between the meaning facet of empowerment and leadership behaviour</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective three:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To examine the relationship between the impact facet of empowerment and leadership behaviour</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective three:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To examine the relationship between the self-determination facet of empowerment and leadership behaviour</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective three:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To examine the relationship between the competence facet of empowerment and leadership behaviour</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective four:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To ascertain the relationship between empowerment and intrinsic motivation</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Objective five:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To investigate the extent to which leadership behaviour affects the relationship between empowerment and intrinsic motivation</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>NA</td>
</tr>
</tbody>
</table>
Objective six:
To investigate the extent to which empowerment affects the relationship between leadership behaviour and intrinsic motivation

<table>
<thead>
<tr>
<th></th>
<th>NA</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>NA</th>
</tr>
</thead>
</table>

Objective seven:
To identify the understanding and definition of empowerment among bank managers

<table>
<thead>
<tr>
<th></th>
<th>Private</th>
<th>Government</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
</table>

Objective eight:
To reveal the empowerment process within Malaysian banks

<table>
<thead>
<tr>
<th></th>
<th>Private</th>
<th>Government</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
</table>

Note: Yes/No – The findings were partly consistent and partly conflicting the literature
NA – Not applicable

It is worth noting that there are four results columns in Table 7.3 but that the discussion in this section includes an additional heading, i.e. findings inconsistent with the literature, representing those items against which ‘no’ appears in the first of these columns. Each of the five heads is now discussed in turn.

### 7.3.1 Findings consistent with literature

As shown in Table 7.3, most of the study findings were discovered to be consistent with past research. Those that were consistent were related to eight objectives: one, two (age, gender, organisational tenure and job position), three, four, five, six, seven and eight.

Where comparison between the two banks is relevant, it should be noted that for some objectives, i.e. objectives two (organisational tenure), and seven and eight, the consistencies were found in both banks; for others, i.e. objectives two (age, gender and job position), they were found in only one of them. Each of these objectives and its consistency with the literature is now discussed separately.

#### 7.3.1.1 Objective one: To determine differences in employee empowerment between private and government-owned banks

In respect of objective one, there was a difference in empowerment between the banks, with employees of the private one reporting higher empowerment than their public sector counterparts. The results yield strong support for H1. It may be relevant here that a wider organisational structure was evident in the private bank than the government-owned one. Organisational structure is seen to be a factor that may influence not only the way empowerment is implemented in an organisation (i.e. structural empowerment) (see Spreitzer, 1995; 1996), but also employees’ feelings of empowerment (i.e. psychological...
empowerment) (Chiles & Zorn, 1995). Many suggest that a flatter, more horizontal organisation will foster employee empowerment, while a traditional top-down one will inhibit it (Dainty et al., 2002; Geroy et al., 1998; Govindarajulu & Daily, 2004; Yukl, 2002). The present findings correspond to the suggestions made in the literature and most importantly substantiate the findings of studies conducted by Smith and Mouly (1998) and Spreitzer (1996), who report a positive link between a decentralised organisational structure with wide span of control and the cognition of empowerment.

7.3.1.2 Objective two: To determine difference in employee empowerment across demographic of age

With regard to the age parameter in objective two, a difference was found in empowerment between younger and older employees, whereby the latter perceived greater empowerment than their younger colleagues in the case of the government-owned bank, and this indeed is in accord with H2a. This finding agrees with those of previous studies, suggesting that older employees were more likely to perceive higher empowerment. A study by Hancer and George (2003), for example, found that older employees had higher scores on the overall dimension of empowerment than younger ones. Özaralli (2003) further substantiates these findings; apart from a significant correlation between employees’ age and empowerment, the study also found a significant difference between younger and older employees in that as employees aged, they felt more empowered. Spreitzer et al. (1997) refer to meaning (one of the dimensions of empowerment) as the ‘engine’ of empowerment and suggest that without it an employee will not feel empowered. This assertion is supported by Holdsworth and Cartwright (2003), who found that younger employees had lower perceptions of meaning in their jobs and felt less empowered than their older colleagues. As employees grow older, they may have stronger commitment towards their work. The family and financial obligations that might develop as employees grow older should also be taken into consideration, as these could perhaps build up their sense of commitment towards their jobs. Moreover, older employees will normally seek stability and security in their lives and work. This may to a certain degree help to facilitate the higher perception of meaning that older employees have in their jobs and this in turn may influence the level of empowerment that they perceive.
7.3.1.3 Objective two: To determine difference in employee empowerment across demographic of gender

In relation to objective two (empowerment across gender), there was no difference in empowerment between males and females in the private bank. The results are not in line with H2b, which posits that females will perceive higher empowerment than males, although contributions from the literature revealed mixed findings in relation to empowerment and gender. Some authors reported differences between gender and empowerment whilst others revealed none. The results thus parallel the latter, i.e. no differences are found between gender and empowerment despite the inconsistency with H2b. Dimitriadis and Kufidu (2004), for example, report that gender was not related to empowerment in a sample of employed students of tertiary education in Greece. Meanwhile, Özaralli (2003) found an insignificant difference between male and female managers from various private organisations in Turkey as to their empowering behaviours. Studies by Tuuli and Rowlinson (2009) and Pitts (2005) also support the existence of a non-significant relationship between gender and empowerment. Kanter (1977) advocates that women are expected to feel less empowered in organisations because of their traditional token status, but it is worth recognising that the traditional perspective of women’s role had evolved so that they were now actively participating in many important roles in society and the economy, in a similar way to men. Moreover, the substantial progress towards gender equality (e.g. Bakker, 2007; Grown, Rao Gupta & Kes, 2005) may have reduced the once large gender gaps in work organisations, so that females are now more likely to be promoted and to participate actively in community decision making (including empowerment) (Inglehart & Norris, 2003). This further explicates the current findings (for the private bank) and published research which has found no gender differences in empowerment.

7.3.1.4 Objective two: To determine difference in employee empowerment across demographic of organisational tenure

When empowerment was examined by organisational tenure, the patterns of findings were similar for the two banks, in that statistically significant differences were found between the tenure groups, with the longest serving employees reporting the highest perceived empowerment, giving full support for H2d. Previous research has found that feelings of
empowerment increased as tenure within organisations increased (Hancer & George, 2003; Koberg et al., 1999; Özaralli, 2003) and this is very much confirmed by the current study. It is worth noting that similar patterns of findings were reported in the current study between age and empowerment (in the case of the government-owned bank) and between organisational tenure and empowerment (in both the private and government-owned banks), both being revealed as differences across the age groups with significant relationships. When employees grow older, their tenure also increases and therefore there are additional opportunities to acquire new experience and knowledge. This may develop a set of skills and abilities allowing them to perform their work more competently (one of the dimensions of empowerment) and facilitating a greater feeling of empowerment. According to Schneider (1987), the longer their tenure (which is associated with age), the better employees are adapted to the work atmosphere and to learning through experience, which creates feeling of competence and empowerment.

7.3.1.5 Objective two: To determine difference in employee empowerment across demographic of job position

In respect of the relationship between empowerment and job position, differences were found across job positions in the government-owned bank, consequently providing support to H2e, whereby those in higher job positions perceived more empowerment than those in lower ones. The current findings are consistent with those of several studies reported in the literature. Denmark (1993), in a study of empowerment among supervisors, found that the higher the status of the supervisor, the more empowered he or she was. Koberg et al. (1999) confirmed this by reporting a significant positive relationship between an individual’s rank in the organisation and empowerment. A more recent study by Ergeneli et al. (2007) reports a direct and positive effect of job position on empowerment, revealing that when managerial level increased from supervisor to manager, overall empowerment also tended to increase, which provides further evidence of the positive relationship between job position and empowerment.
7.3.1.6 Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)

Objective three investigated the relationship between empowerment and the two leadership behaviours, transformational and empowering. The findings that show empowerment was significantly and positively related to the two types of leadership behaviour were parallel to H3a. A number of previous studies have examined the link between empowerment and transformational leadership behaviour and their results are very much in line with the ones in this study. Among them are Avey et al. (2008), Bartram and Casimir (2007) and Özaralli (2003), who showed a significant relationship between the two. Unlike transformational leadership, there has been limited investigation of empowerment and empowering leadership; however, Spreitzer et al. (1999) provide empirical support for a link between them. Corresponding to this, the current study adds further weight to the existence of a significant and positive relationship between empowerment and leadership behaviour, empowering leadership in particular.

With regards to relationships between the facets of empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership), the three facets of meaning, impact and self-determination showed positive and significant relationships with leadership behaviour. The results are indeed in line with H3b, H3c and H3d, and were true for the two leadership behaviours of transformational and empowering leadership. Previous contributions also emphasise these findings. Özaralli (2003), for instance, demonstrates that meaning, impact and self-determination are positively and significantly related to transformational leadership. Instead of transformational leadership or empowering leadership, Chiang and Jang (2008) focused on supportive leadership. They found a similar pattern of relationships in that the three facets of meaning, impact and self-determination are also positively and significantly related to supportive leadership, which to a certain extent also supports the current findings.
7.3.1.7 Objective four: To ascertain the relationship between empowerment and intrinsic motivation

As for objective four, concerning the relationship between empowerment and intrinsic motivation, the study discovered a significant positive relationship between the two that supports H4. Many academics have frequently associated empowerment with motivation (Hancer & George, 2003; Hopkins, 1995; Klagge, 1998; Lee & Koh, 2001; Spreitzer, 1995; 1996). Indeed, the relationship between the two is supported empirically. Kappelman and Prybutok (1995), for example, report a significant relationship between empowerment and motivation. There are also arguments suggesting an interrelation between empowerment and a specific type of motivation, i.e. intrinsic motivation (Beach, 1996; Carless, 2004; Conger & Kanungo, 1988; Mallak & Kurstedt, 1996; Thomas & Velthouse, 1990). Empowerment is claimed to embody the concepts of intrinsic motivation, internal justification for decision making, shared responsibilities and integration for problem-solving (Beach, 1996; Mallak & Kurstedt, 1996). Despite these overwhelming claims of a relationship between empowerment and intrinsic motivation, it should be noted that few studies have attempted to measure the link between the two. These few, however, have supported the putative link and reported them to be positively related (e.g. Hechanova et al., 2006; Zhang & Bartol, 2010). The current findings are consistent with these reports and have furthered the understanding of this relationship.

7.3.1.8 Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership and empowering leadership) affects the relationship between empowerment and intrinsic motivation

Leadership behaviour has been advocated as the factor most strongly influencing the success of empowerment in organisations (Ahearne et al., 2005; Smith & Mouly, 1998). It is suggested that leadership behaviour contributes to empowerment to the extent that it is able to affect an individual’s perception of meaning, competence, self-determination and impact, i.e. the four dimensions of psychological empowerment (Dewettinck & Ameijde, 2011; Spreitzer, 1996). It is thus unsurprising that many assertions have been made of a link between the two (Avolio et al., 2004; Bartam & Casimir, 2007; Carless, 2004; Chiang & Jang, Choi, 2006; 2008; Conger, 1999; Dewettinck & Ameijde, 2011; Gumusluoglu & Ilsev, 2009; Huang et al., 2006; Masi & Cooke, 2000; Meyerson & Kline, 2008; Spreitzer et al.,
As detailed in chapter two (see section 2.7), the study considers only two types of leadership behaviour, i.e. transformational and empowering leadership. The decision was made because these are the leadership behaviours most relevant to the empowerment environment (Clark et al., 2009; Spreitzer et al., 1997; Yukl, 2002). Transformational leaders are claimed to able to produce a sense of meaningfulness, competence and impact (i.e. dimensions of empowerment) among followers, through the inspirational ability that embodies transformational leadership (Dewettinck & Ameijde, 2011), whereas empowering leadership draws on the elements of leadership behaviour most focused on making changes, which corresponds to empowerment in that it facilitates innovative behaviour (Masi & Cooke, 2000; Vecchio et al., 2010; Spreitzer et al., 1997). Moreover, claims that other types of leadership behaviour (e.g. supportive, charismatic, participative and transactional leadership) are comparably relevant to empowerment have been criticised or refuted. Transactional leadership, for example, is claimed to have a destructive influence on followers’ creativity and performance that runs counter to the thrust of empowerment, which encourages innovative behaviours, seemingly similar to creativity (Bass, 1985; Spreitzer et al. 1999; Wei et al., 2010). Most importantly, Wei et al. (2010) reported that transactional leadership is negatively related to followers’ creative performance.

Those who have examined transformational leadership and empowerment report a significant relationship between the two (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Özaralli, 2003) and the same applies to empowering leadership (e.g. Spreitzer et al., 1999). Previous studies have confirmed the link between empowerment and leadership behaviour (transformational and empowering in particular), yet in most cases leadership behaviour has been taken to be the antecedent of empowerment, while limited work has been done on the alternative relationship of empowerment as the antecedent to leadership behaviour and specifically on leadership behaviour as mediator of the relationship between empowerment and its outcomes. The present study therefore addresses the criticism of existing research – that it has tended to focus on singular aspects of the relationship between empowerment and leadership behaviour – by offering an alternative platform, investigating leadership behaviour as a mediator of the relationship between empowerment and its outcomes.

While leadership has been asserted as a facilitating factor to empowerment (Ahearne et al., 2005; Dewettinck & Ameijde, 2011; Smith & Mouly, 1998), it is also apparently claimed as an important role in enhancing employees’ motivation (Masi & Cooke, 2000; Spreitzer et
Transformational leadership, for example, is believed to instil motivation, specifically intrinsic motivation, through its characteristic of being supportive and promoting autonomy (Charbonneau et al., 2001). It is believed that transformational leaders through their individualised consideration will focus on developing follower capabilities, provide information and resources and give followers discretion to act (Avolio et al., 2004). Consequently, they will foster feelings of enhanced capability or competence and the perception of personal discretion and responsibility, all of which is likely to boost followers’ intrinsic motivation (Shin & Zou, 2003). Empowering leadership, meanwhile, has been developed consistently with the requirements of the empowerment environment (Ahearne et al., 2005; Clark et al., 2009; Pearce & Sims, 2002; Spreitzer et al., 1999). It involves the process of implementing conditions that increase employees’ feeling of self-efficacy and control (e.g. participative decision-making), removing conditions that foster a sense of powerlessness (e.g. bureaucracy) and allowing them the freedom to be flexible as circumstances warrant (Arnold et al., 2000), which is presumed to be the proximal cause of intrinsic motivation (Thomas & Velthouse, 1990). Moreover, there is much empirical evidence of a significant relationship between leadership behaviour and intrinsic motivation (e.g. Charbonneau et al., 2001; Piccolo & Colquitt, 2006).

Objective five was formulated to considering the possible existence of integrative links between empowerment, leadership behaviour and intrinsic motivation and the limitation of work that emphasises an alternative relationship of empowerment as the antecedent to leadership behaviour, and specifically on leadership behaviour as a mediator of the relationship between empowerment and its outcomes; consequently it was hypothesised that leadership behaviour (i.e. transformational leadership and empowering leadership) mediates the relationship between empowerment and intrinsic motivation (H5) that serve as the conceptual framework of the study (i.e. the proposed model). The findings revealed consistency with H5, where evidence of the mediation effect in transformational and empowering leadership on the relationship between empowerment and intrinsic motivation are demonstrated.

The current findings therefore not only support the possible existence of integrative links among empowerment, leadership behaviour and intrinsic motivation, but also further substantiate past research findings of direct links from leadership behaviour to empowerment and intrinsic motivation (Avey et al., 2008; Bartram & Casimir, 2007;
Essentially, the findings are insightful in that they emphasise the importance of leadership behaviour as a factor influencing the relationship between empowerment and intrinsic motivation. Most important, the assertions that management practices (which may include leadership behaviour) will not necessarily be able to empower employees (Spreitzer, 1995); that employees still feel and act in empowered ways despite lack of objective features of empowerment (which may include transformational and empowering leadership) (Spreitzer, 2008); and that empowerment may occur whenever and only when employees believe that they are empowered (Greasley et al., 2008); and where the alternative relationship of empowerment as the antecedent to leadership behaviour, specifically leadership behaviour as mediator of the relationship between empowerment and its outcomes proposed in this study, are thus initially supported, unequivocally adding considerable information to an under-researched area. Accordingly, the conceptual framework (i.e. proposed model) as illustrated in Figure 7.1 is established, at least within the parameter of this study.

The evidence of mediation in the study is also explicable by reference to the Malaysian context. It was found that empowerment had been established in the Malaysian public and private sectors for more than two decades. This could eventually also help to influence the reported existence of mediation. This point will be considered further in section 7.3.4.3.

7.3.1.9 Objective six: To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation

Objective five aims to investigate the alternative relationship of empowerment as the antecedent to leadership behaviour, specifically on leadership behaviour as mediator of the relationship between empowerment and its outcomes (i.e. intrinsic motivation) that are apparently limited in the literature. Objective six, on the other hand, examines the existing perspective of leadership behaviour as the antecedent to empowerment, which is widely suggested in the literature: specifically, empowerment as the mediator of the relationship between leadership behaviour and intrinsic motivation (competing model). It is deemed necessary to further validate the existing perspective within the parameters of this study that took place in a different research context (Malaysia) and organisational setting (banking institutions). In accordance with objective six, it is hypothesised that
empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation (H6); as predicted, the findings are consistent with H6.

The findings evidently corroborate previous contributions. Instead of intrinsic motivation, Avolio et al. (2004) focused on organisational commitment (as the outcome) and the findings indicate that empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership) and organisational commitment. Bartram and Casimir (2007) found similar findings with an emphasis on followers’ performance (as the outcome) where empowerment mediates the relationship between leadership behaviour (i.e. transformational leadership) and followers’ performance. A recent study by Dewettinck and Ameijde (2011), despite targeting job satisfaction and affective commitment (as the outcomes), also evidenced empowerment as the mediator of the relationship between leadership behaviour (i.e. empowering leadership) and job satisfaction and also between the former and affective commitment. Ismail et al. (2011) also demonstrate that empowerment has a mediating role in the relationship between leadership behaviour (i.e. transformational leadership) and its outcome (i.e. organisational commitment), giving further support to the role of empowerment as a mediator in the relationship between leadership behaviour and its outcome.

7.3.1.10 Objective seven: To identify the understanding and definition of empowerment among bank managers

With respect to objective seven, regarding the meaning of empowerment from the perspective of bank managers, it was found that three themes were invoked by participants in explaining the meaning of empowerment: authority, competence and trust. These three themes are apparently congruent with the existing literature.

Investigation of the literature revealed that the term ‘authority’ has been commonly used when describing empowerment (Ahearne et al., 2005; Chan et al., 2008; Cunningham et al., 1996; Lee & Koh, 2001). Stander and Rothman (2009) for example, suggest that empowerment is a set of activities and practices that give power, control and authority to subordinates, while Menon (2001) describes empowerment in more detail as ‘moving decision-making authority down the organisational hierarchy and granting employees the
ability to significantly affect organisational outcomes’ (p. 159). The tendency of the participants to describe empowerment in terms of authority was found to be consistent with the published research. In interviews with employees of two New Zealand organisations (one a manufacturer of outdoor equipment and the other a supplier of energy and communication) pertaining to the definition of empowerment, Smith and Mouly (1988) found that empowerment was explained as a transfer of decision-making authority. Another study by Klagge (1998), using a focus group of 150 middle managers in the United States, found a similar understanding of empowerment in terms of authority. It should be noted that authority and power are inextricably linked when it comes to explaining empowerment. Mills and Ungson (2003) integrate both terms in their explanation of empowerment: a formal horizontal decentralisation of authority such that decisional power flows to employees from the formal structure (p. 144). According to Conger and Kanungo (1988), power is viewed within the context of empowerment as the possession of formal authority or control over organisational resources. Where empowerment is understood as the granting of power and decision-making authority, this is known as the structural approach to empowerment (Ahearne et al., 2005; Menon, 2001; Ergeneli et al., 2007; Knol & Linge, 2009). This perspective is rooted within the organisational context and generally sees empowerment as actions taken by organisations to share power and decision-making authority (Hechanova et al., 2006). Therefore, participants in the study who invoked authority in their understanding of empowerment can be said to reflect the perspective of structural empowerment.

After authority, competence is the next most common term used in the literature in conjunction with empowerment. It is asserted that empowered employees have a sense of competence in that they have higher levels of confidence in their ability to execute their job responsibilities proactively (Appelbaum et al., 1999; Dewettinck et al., 2003; Greasley et al., 2005). Competence is argued to be so important to empowerment that its absence will jeopardise the overall process of empowerment so that the supposed benefits will not be realised (Hamudda & Dulaimi, 1997). Thomas and Velthouse (1990) regard competence as one of the four dimensions of the psychological approach to empowerment. While structural empowerment emphasises the management techniques of sharing power between superiors and subordinates, the psychological approach, in contrast, focuses on the individual experience of empowerment: what individuals have to feel in order for interventions to become effective, rather than specific management practices intended to
empower individuals (Dewettinck & Ameijde, 2011; Spreitzer et al., 1997). Put simply, the psychological approach to empowerment is concerned with whether or not employees perceive themselves as being empowered (Ergeneli et al., 2007). Corresponding to these assertions, participants who assimilated empowerment to competence are believed to have adopted the psychological approach to empowerment.

Trust has frequently been identified as essential to empowerment (Ergeneli et al., 2007; Holdsworth, 2007; Klagge, 1998; Smith, 1997). In particular, Yukl (2002) explains that empowerment is more feasible when there is a high level of mutual trust between managers and employees. More important, previous studies have confirmed the significant relationship between trust and empowerment (e.g. Chan et al., 2008; Ergeneli et al., 2007; Milss & Ungson, 2003; Moye & Henkin, 2006). The current findings that revealed trust as one of the themes of empowerment further substantiate the earlier findings that trust is a critical prerequisite for managers to empower employees.

As Table 7.2 shows, more participants from the government-owned bank than the private bank demonstrated their understanding of empowerment using the themes of competence and trust. This can be explained by looking at the demographic characteristics of the interviewees, particularly their organisational tenure and departmental affiliation. The fact that government employees had longer service on average than the private employees means that they were likely to have acquired more experience of empowerment and therefore were better able to identify factors facilitating empowerment (which may include competence and trust). All participants from the government-owned bank were attached to head office departments, in contrast to the private bank, where some worked in head office departments and others in branch departments. According to Stewart (1995), the head office plays a role in the coordination of empowerment across an organisation. Since the locus of empowerment is at head office, its dissemination to head office departments will tend to be more rapid than to branch departments. It is therefore plausible that participants working in head office departments (as was the case for all government-employed interviewees) would have greater exposure to empowerment than their colleagues in the branches, considering their proximity to the locus of empowerment. This would be likely to lead to them acquiring more knowledge pertaining to empowerment (which may include competence and trust). The findings that more participants from the government-owned bank than the private bank reported the themes competence and trust could therefore be
related to their broader understanding of empowerment arising from their longer service and affiliation to head office departments.

**7.3.1.11 Objective eight: To reveal the empowerment process within Malaysian banks**

Consideration of objective eight revealed three phases in the process of empowerment: initiation, implementation and sustaining. Although their existence is not supported by empirical evidence but in terms of conceptual claims, these three phases have been recognised as associated with the empowerment process and their inclusion has been regarded as important in creating an optimal model of the process (Cook, 1994; Holt et al., 2000). The study also found that these phases were linked to certain constraints, namely lack of acceptance by employees and inadequate systems of monitoring. This offers support to the existing literature, which asserts the two as factors potentially impeding empowerment. It has been explained that employees are often reluctant to accept empowerment because they fear being blamed for making wrong decisions and that they interpret empowerment as an extra responsibility, increasing their workload (Darling, 1996; Ersted, 1997; Johnson, 1994; Ueno, 2008). Their opposition thus undermines the true process of empowerment (Hand, 1995). Meanwhile, Smith (1997) and Holden (1999) assert that when embarking on a journey towards empowerment, there is a concern about how much autonomy to give or allow. This is particularly pertinent to the issue of the risks of expensive giveaways and bad decisions which can be made by some employees in devolving the empowerment responsibilities (Yukl, 2002). Without appropriate measures of control, it is challenging to assess whether employees have been using empowerment as expected, according to the policies and procedures, or whether they have abused the empowerment given to them. According to Quinn and Spreitzer (1999), without the basic structure of control, employees experience chaos rather than empowerment. It has been suggested that monitoring be formulated as part of empowerment, in order to work towards continual improvement of the process and also to establish a means of evaluation (Cook, 1994; Holt et al., Rowlands, 1995). With appropriate monitoring in place, organisations are able to draw up an action plan to chart direction, set goals and establish measures of success for empowerment (Hand, 1995).
7.3.2 Findings inconsistent with the literature

Having identified those findings showing consistency with the literature and previous research, the focus now turns to those that conflict with it. There were three objectives whose findings contradicted the literature and previous research, i.e. objectives one, two (age, gender, ethnicity and job position) and three (competence facet of empowerment and leadership behaviour). The findings on age and job position associations conflicted for the private bank, and on ethnicity for both banks, while the findings related to objective three (competence facet of empowerment and leadership behaviour) were also unexpected. These conflicting findings are discussed next in separate sections.

7.3.2.1 Objective one: To determine the differences in employee empowerment between private and government-owned banks

In respect of objective one, a difference was found in employee empowerment between the two banks. Although the differences are consistent with the literature, where H1 is supported (see section 7.3.1.1), it was however discovered that in general, there were favourable perceptions of empowerment in the two banks and this seems to conflict with the explanation offered in the literature in relation to culture and empowerment.

Culture has been seen one as of the factors influencing how people experience empowerment (Gill et al., 2010; Holden, 1999; Robert et al., 2000; Spreitzer, 2008). Empowerment is said to differ from one nation to another depending on their distinctive cultural values and beliefs (Hui et al., 2004; Spreitzer, 2008; Uner & Turan, 2010). Some contest the relevance of a model of empowerment that was designed and evolved in the socio-cultural context of North American and/or Western European countries when introduced into organisations of fundamentally different socio-cultural settings and economic development (Dimitriades, 2005; Eylon & Au, 1999). Thus, Hofstede (1993) suggests that ‘there are no such things as universal management theories’ (p. 81).

Hofstede (1980) identifies four bipolar dimensions along which cultural differences can be described: power distance, individualism, masculinity and uncertainty avoidance. According to Eylon & Au (1999), the four dimensions enable predictions of how management processes and theories (including that of empowerment) differ across cultures. Power
distance is regarded as the most significant of the four dimensions and widely discussed in relation to empowerment (Dimitriades, 2004; Ergeneli et al., 2007; Eylon & Au, 1999; Hui et al., 2004; Robert et al., 2000). It has been proposed that individuals from low power distance cultures will be more receptive to empowerment than those from high power distance culture (Eylon & Au, 1999; Randolph & Sashkin, 2002 & Seibert et al., 2004). Malaysia, which provides the context of the present study, has been categorised as a high power distance country (Hofstede, 2009). In light of this, Malaysians are expected to be more accustomed to centralised authority (Ergeneli et al., 2007) and empowerment is unlikely to be realised (Klidas, 2002; Matthews et al., 2003). The present study, however, contradicts the above assertions in terms of Hofstede’s cultural dimensions, reporting favourable feelings towards empowerment in both the private \( (M=5.56, SD=0.66) \) and government-owned \( (M=5.10, SD=0.81) \) banks. The study thus adds an important emerging consideration to the literature on empowerment and Hofstede’s cultural dimension of power distance, where in this respect the latter appears to have little role in explaining the former in the context of Malaysia, which is considered a high power distance nation.

Having noted the above conflicts, an additional explanation can be offered to clarify the finding of favourable feelings towards empowerment in the two banks. In terms of the demographic characteristics of the study sample, a majority of private bank participants held bachelor degrees, while in the government-owned bank, taking bachelor and master degrees together, a slight majority of the sample were also graduates. The fact that the majority of the two samples were graduates indicates the good educational level of employees in the two banks, many of whom appear to have been well educated. Better educated individuals are more likely to experience feelings of empowerment, as they are more likely to be oriented towards careers or professions (Krams, 1983, cited by Ergeneli et al., 2007). Specifically, Spreitzer et al. (1997) assert that individuals with higher levels of education are likely to feel more empowered, particularly with respect to the competence dimension of empowerment. Moreover, empirical evidence of the link between level of education and empowerment is parallel to the assertions of a significant relationship between the two, as reported when graduates expressed more self-empowerment than did primary and high school graduates (e.g. Ahmad & Oranye, 2010; Özaralli, 2003). The favourable feelings towards empowerment reported at the two participating banks is therefore explicable by looking into samples that were well-educated.
7.3.2.2  Objective two: To determine differences in employee empowerment across the demographic of age

In relation to empowerment and age, no differences are reported among the age groups of the private bank, indicating a rejection of H2a. The lack of support for H2a in the case of the private bank might be for two reasons: firstly, there is less even distribution across age in the private bank than in the government-owned bank; secondly, most participants from the private bank were younger than those from the government-owned bank. Considering these two possible reasons and that, according to the literature, younger employees are likely to experience less empowerment than older ones (Özaralli, 2003; Hancer & George, 2003), it is plausible for no differences to be reported in the private bank and vice versa for the government-owned bank.

7.3.2.3  Objective two: To determine differences in employee empowerment across the demographic of gender

Perceptions of empowerment varied with gender among employees of the government-owned bank, where males perceived higher levels of empowerment, suggesting inconsistency with H2b. This finding was in conflict with empirical reports in the literature of no difference in terms of gender (e.g. Dimitriadis & Kufidu, 2004; Pitts, 2005; Tuuli & Rowlinson, 2009) and with a few reports of differences where females perceived higher empowerment than males (e.g. Hancer & George, 2003). These findings can perhaps be explained by looking into the Malaysian context in particular, i.e. the strong values and beliefs held by the community which tend to shape the way Malaysians perceive empowerment, as will be further explored later in this chapter (see section 7.3.4.1).

7.3.2.4  Objective two: To determine differences in employee empowerment across the demographic of ethnicity

With respect to ethnicity, there were evident differences in both banks, whereby the minority Others group perceived higher empowerment than Malays, reflecting rejection of H2c for both the private and government-owned bank. To clarify, Others comprised all non-Malay ethnic groups in the sample, i.e. Chinese, Indian and minority indigenous
communities (Shafii et al., 2009). The United States Census Bureau (1992, cited by Koberg et al., 1999) found that certain members of minority and ethnic groups might feel empowered less often because they typically held less powerful positions in organisations and were overrepresented at lower levels. Contrary to this report, Koberg et al. (1999) found that empowerment did not differ significantly between whites (the majority group) and non-whites (the minority). The current findings fail to corroborate either of these findings, as the minority was found to experience greater empowerment. Again, this can be explained by examining the Malaysian context looking into the varied cultural orientation of the ethnic groups in Malaysia and will therefore be revisited later (see section 7.3.4.2).

7.3.2.5 **Objective two: To determine differences in employee empowerment across the demographic of job position**

In investigating the relation between empowerment and job position, no difference was found in the case of the private bank, where H2e is not supported. This conflicts with the existing literature, where it is commonly reported that higher job position is associated with higher empowerment (e.g. Ergeneli et al., 2007; Koberg, 1999). This discrepancy in findings could be explained in terms of the demographic profiles of the job positions themselves. As reported in the questionnaire results chapter (section 5.5.2), a strong majority of the sample in the private bank was at managerial level, i.e. lower and middle management (where empowerment is highly evident), while few respondents were at clerical level. It was also reported that there was little difference in the perception of empowerment across the two job positions of lower and middle management. The absence of job-related differences in the private bank is thus explained by the fact most respondents were in managerial positions, where perceptions of empowerment vary little between lower and middle grades.

7.3.2.6 **Objective three: To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership)**

In respect of objective three, pertaining to the relationship between the competence facet of empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership), a negative relationship between the two is found for both leadership behaviours, suggesting rejection of H3e. The reason could be associated with the
The study itself: the importance of this facet might be outweighed by other facets. This can be evidenced where the $\beta$ value for competence (-0.025 for transformational leadership and -0.071 for empowering leadership) is shown to be the smallest of the facets (see Table 5.29 and Table 5.30), noticeable for both leadership behaviours. In the literature, there are studies that also could not substantiate a positive and significant relationship between the competence facet of empowerment and leadership behaviour. Özaralli (2003), for example, demonstrates that competence in isolation is not significantly related to transformational leadership.

### 7.3.3 Links with interview data

The relationships between primary and secondary research data were found to be interesting in two main respects. Some of the quantitative findings consistent with the literature were strengthened by the interview data; for others, contrary to the literature, the analysis relied on the interview data to explain the pattern of the findings. Those research objectives to which such linkages apply and where the interview data appear to be useful are discussed here. These are objectives one and two (organisational tenure and job position).

#### 7.3.3.1 Objective one: To determine differences in employee empowerment between private and government-owned banks

In regard to objective one, concerning differences in employee empowerment across the two banks, a significant difference was found between the two banks where private bank participants reported more perceived empowerment than those from the government-owned bank (i.e. H1 is supported). Here, both the interview data and the literature provided support for this finding. More extensive empowerment training was reported in the private bank than the government-owned one, as suggested by the interview data. The training offered in the former took two forms: normal classroom learning and on-the-job training. The on-job training module was designed both at the employee level (mentor-mentee programme) and for managerial positions (a buddy system between senior managers and managers).
They (employees) have to undergo that empowerment training. One kind is called the ‘buddy system’. For example, I am retiring next year, so I buddy myself with somebody down there. Assuming his authority is only a hundred thousand and mine is two hundred thousand, I will then let him exercise my authority on a trial basis. However, if I find that there are certain things that he needs to look into, I will let him know and explain what went wrong. At the end of the trial, I will inform management whether the person is ready for the next level. This buddy system happens throughout the entire bank. A senior manager trains his manager; the manager trains his senior executive and so on”. (Senior manager 2 - private bank)

“A teller will only be given empowerment when confirmed in the job. The confirmation comes with the job training. The teller will be put through a minimum three months on-the-job training and we assign mentors to monitor them”. (Senior manager 3 – private bank)

Huq (2010) identifies on-the-job training activities such as coaching and mentoring as necessary vehicles to encourage and develop empowering behaviours in others. Similarly, Geroy et al. (1998) place coaching or mentoring among the strategic approaches used to optimise empowerment potential in the workplace. It is worth noting that unlike the private bank, only the normal classroom type of empowerment training was reported to take place in the government-owned bank, with emphasis given to those at managerial level. This helps to explain the higher perceived levels of empowerment in the private bank than the government-owned one, which could be influenced by the extensive design of empowerment training made available in the private bank.

7.3.3.2 Objective two: To determine the differences in employee empowerment across demographic of organisational tenure

In respect of objective two (organisational tenure), differences were found between the organisational tenure groups, whereby longer-serving employees reported higher levels of perceived empowerment (i.e. H2d is supported), and this was the case for both banks. In addition to the literature review, interview data also gave support to this finding. Interviews with participants from the two banks gave considerable insight into the importance of competence in relation to empowerment:
“When you talk about empowering authority, you are looking into the person’s **knowledge, ability and experience**. If the person’s knowledge, ability and experience are in question, then it is best to treat it (empowerment) in a safer manner so that the risk factor is contained”. (Senior manager 2 – private bank)

“We are cascading it (empowerment) down the same to everybody, that is according to your grade or position. However, if you are not **competent**, we don’t give you that (empowerment)”. (Senior manager 6 – private bank)

“A **competent** workforce covers three areas: the knowledge, skills and attitude. If these three areas are not there in the workforce, then they are not **competent**. If they are **competent**, then they will be able to do whatever, including empowerment”. (Senior manager 8 – government-owned bank)

As noted previously, as the tenure of employees increases, there are additional opportunities to acquire experience and knowledge, which may form a set of skills and abilities allowing them to perform their work tasks more competently. In other words, employees with higher tenure are likely to have greater competence than their colleagues of shorter tenure, having had more time to develop competencies as their tenure increased. It has been asserted in the literature that the more tenured employees are better adapted to the work atmosphere and that they learn through experience, which can lead to feelings of competence and performance, so that they are then likely to feel more empowered (Schneider, 1987). Competence, meanwhile, is regarded as a dimension of empowerment and has been claimed to induce the strongest feelings of empowerment (Carless, 2004; Spreitzer, 1995; 1996; Yukl & Fu, 1999). More importantly, empowerment is argued to work only when employees are competent (Ergeneli et al., 2007). Previous research supports this contention, concluding that superiors are more inclined to empower subordinates whom they view as competent (e.g. Yukl & Fu, 1999). The above interview data suggest that competence is the crucial dimension of empowerment and that the longer-serving employees perceived higher empowerment due to their superior competence levels, which they will have acquired as their tenure in the organisation increased.
7.3.3.3 Objective two: To determine differences in employee empowerment across the demographic of job position

In regards to objective two (job position), different findings were generated by data from the two banks. Differences in empowerment across the job positions were revealed in the government-owned bank, where those in higher positions perceived greater empowerment than those in lower positions; however, there was no such difference in the case of the private bank. Consequently, H2e is supported by the government-owned bank but rejected by the private bank. In addition to consistency with the literature (see section 7.3.1.5) and the variation of job positions in the samples (see section 7.3.2.5) that explained the findings in government-owned and private bank respectively, interview data were also found useful in giving support.

The finding of a direct relationship between job position and perceived empowerment in the government-owned bank is further supported by the interview data to the extent that they strongly suggest that empowerment is closely and positively dependent on job position, so that the higher the position held by an individual, the more likely it is that empowerment will be given. One of the participants articulated this link between job position and empowerment thus:

“Empowerment depends on your post in the bank. The higher post you hold, the higher authority (empowerment) you have”. (Senior manager 7 – government-owned bank)

Meanwhile, the finding of no difference in the case of the private bank can also be explained by the interview findings. This is somewhat related to the competence of the employees which was discussed previously. One respondent from the private bank strongly emphasised the importance of competence above job position or grade:

“Empowerment is according to your (employee) grade and position. However, if you are not competent, we don’t give you that (empowerment)”. (Senior manager 6 – private bank)

This provides a further indication that job position was not the sole factor affecting empowerment in the private bank, where competence was considered more important. In other words, having a higher job position did not imply that the employee would have
greater empowerment. Another suggestion to explain the findings in the private bank of no difference across job positions that its employees were seen as competent by their superiors regardless of job position and that they were given empowerment according to their competencies rather than position held. Therefore, there was not much difference in the level of perceived empowerment among private bank employees across the job positions.

Overall, the secondary (interview) data were found to give further insight into the questionnaire’s findings, specifically where the latter were unexpected (e.g. no difference in empowerment across job positions). This indicates the importance of parallel discussion between quantitative and qualitative data and that they can offer more insights than either kind in isolation (Lindebaum, 2008). Most importantly, this study substantiates the merit of the mixed-method approach adopted as the research design (ibid).

7.3.4 Malaysian context

As shown in Table 7.3 and noted previously (see section 7.3.1.8 and section 7.3.2), the findings in respect of objective two (gender and ethnicity) and objective five were found to be related to the Malaysian context and explicable from that perspective. Each of these objectives is now detailed in turn.

7.3.4.1 Objective two: To determine differences in employee empowerment across the demographic of gender

It was found that there was a gender difference in empowerment in the government-owned bank, where males reported perceiving higher empowerment than females, indicating rejection of H2b. Within the context of Malaysian culture, specifically considering Malay customs and the Islamic perspective, the findings seem to be reasonable. In Malay culture, gender differentiation is commonly expressed (Ong, 1990) and men are seen as playing the main role in Malay communities. By virtue of this cultural bias, the basic aspect of men’s role is guardianship of their sisters, wives and daughters, whilst Islamic law defines a man’s identity in terms of providing complete economic support for his family and household (Ong, 1990). These factors, to a certain degree, give men a greater measure of autonomy and influence in everyday life than women. The participants in the present study were
predominantly Malay and Muslim; therefore it may be presumed that the males perceived themselves as enjoying higher autonomy than the females. Spreitzer (1995) asserts self-determination as one of the dimensions of empowerment which reflects autonomy over the initiation and continuation of work behaviour and processes that suggest the interrelation of self-determination and autonomy. Holdsworth and Cartwright (2003) found that employees who felt that they had less autonomy would also feel less empowered. This is consistent with the findings in the government-owned bank that males had higher empowerment than females.

The findings of no gender differences in the private bank, although consistent with the literature, appear to be contrary to the Malaysian cultural orientation as explained above. However, it is worth recalling (see section 5.5.1) that there was not much difference in numbers of males and females in the private bank sample, whereas in the government-owned bank females constituted almost two-thirds of the sample. Despite females being associated with lower perceptions of empowerment than males within the context of Malaysian culture, the lack of any great difference in gender representation in the private bank could have influenced the finding of no gender differences in perceived empowerment. In relation to this, the demographic characteristics of the sample may have tended to shape the pattern of the findings more did than Malaysian culture in this case.

7.3.4.2 Objective two: To determine differences in employee empowerment across the demographic of ethnicity

With regard to ethnicity, the Others (non-Malay minorities i.e. Chinese, Indian and other indigenous groups) reported higher empowerment than the Malays and this was true for the two banks. Again, this may be related to the Malaysian context and specifically to cultural value orientations of the ethnic groups in Malaysia. Malays are not considered a risk-taking group, but are commonly more conservative in making decisions. In a study of Malay culture and consumer decision-making styles, Kamaruddin and Kamaruddin (2009) found that Malay consumers show consciousness and are systematic in determining their shopping orientations. They are also unable to make decisions heuristically. Although this investigation of Malay culture was limited to the domain of consumer decision-making, it is believed that it provides indirect evidence to confirm the conservative style typically adopted by Malays. Because of their relatively low-risk approach, it is possible that Malays
are likely to perceive empowerment less enthusiastically than other ethnic groups. In contrast to Malays, Chinese (the second largest ethnic group in Malaysia) are argued to have an open attitude to risks and the unknown (Lrong, 1998). This view is shared by Mhd. Juri and Idris (2008), who assert that Malaysian Chinese are strongly perceived as characterised by openness and seen as risk-taking, adaptable and ambitious. Indians (the third largest ethnic group in Malaysia) have been reported to have a similar value orientation to the Chinese; for example, Fontaine and Richardson (2005), in their investigation of cultural values in Malaysia, found Indians to be more ambitious than Malays, which can be associated with a risk-taking tendency within this ethnic group. According to Quinn and Spreitzer (1999), empowerment embodies personal risk-taking and initiative; therefore the organisation needs to reward employees for the risks and initiatives they are expected to take. Considering the feature of risk-taking in empowerment, only those who are of the risk-taking type will tend to be receptive to empowerment. In light of the different cultural value orientations of the three ethnic groups, members of the Chinese and Indian minorities in Malaysia are more likely to be receptive to empowerment than the Malays.

7.3.4.3 Objective five: To investigate the extent to which leadership behaviour (i.e. transformational leadership vs. empowering leadership) affects the relationship between empowerment and intrinsic motivation

Objective five, where the mediation effect of leadership behaviour is reported for the relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation (H5 is supported), could also be explained within the context of Malaysia. Empowerment has been practiced by the federal Malaysian government for more than two decades. Circulars have been issued since the 1990s to government departments explaining the need to exercise empowerment in order to ensure the quality and excellence of results (Malaysian Administrative Modernisation and Management Planning Unit, 2009). As early as 1995, the Ministry of Education was among the first government departments to initiate empowerment, including practices related to the implementation of education policy, the autonomy of teachers and teaching, and the sharing of power by the leaders of institutions with their subordinates (Abd Ghani et al., 2009). In an interview with a Malaysian newspaper, the Chief Secretary of Malaysia also confirmed the existence of empowerment practice among government departments and
even emphasised that the public delivery system in government departments and agencies had been proven to enhance the standard of service in the public sector (Hassan, 2007). Most importantly, empowerment is also noted as part of the work culture of government agencies in order to ensure the effective administration and management of their business operations (Bank Pembangunan Malaysia Berhad, 2010). Given that the government-owned bank is owned by the Malaysian government under the Ministry of Finance Incorporated, its operating procedures and policies (including on empowerment) are very much identical to those of government departments. It is plausible that for the last two decades it has adopted the same empowerment procedures as government departments.

The same is true for the private sector in Malaysia, where empowerment has long been applied in many different types of private organisation including the banking institutions. Due to the nature of service activities, with interaction with a high volume of customers, frequent application of empowerment in their business activities is evident in the Malaysian private bank. Acknowledging the importance of empowerment, many private banks in Malaysia have embraced empowerment policies as part of their philosophy of attaining excellence in customer service and management of business operations (AMMB Holding Berhad Annual Report, 2008; Public Bank Berhad Annual Report, 2009). Because of the long practice of empowerment in Malaysian banking, irrespective of whether the bank is private or government-owned, the evidence of mediation found in the study is explained by the Malaysian context.

7.3.5 Similarity between the banks

As shown in Table 7.3, similarities were noted across the two participating banks in some of the findings, more precisely in respect of three objectives: two (ethnicity and organisational tenure), seven and eight, where comparison can be made between the banks.

To reiterate, in respect of objective two it was found that there were differences in empowerment across the demographic characteristics of ethnicity and organisational tenure; objective seven was satisfied by the identification of three similar themes, authority, competence and trust, which have frequently been invoked to describe empowerment; finally, in connection with objective eight, it was found that three phases of empowerment
were followed by the two banks: initiation, implementation and sustaining, with each of these phases comprising similar key activities.

A number of factors can be identified to account for these similarities. As explained in the research methodology chapter (see section 4.5.3), respondents to the questionnaire were mainly employees based at the head offices of the respective banks. It is possible that the work culture of the two head offices was sufficiently similar to explain, at least in part, the similarities in the findings between the banks. Notwithstanding the main role of the government-owned bank to serve corporate entities in strategic economic sectors, it also offered services to members of the public and these were similar to those offered by the private bank. The fact of sharing the same customer segmentation, i.e. members of public, while offering identical banking services, may also have shaped a similar understanding of empowerment and the process of formulating it. The two banks were furthermore subject to the same supervisory body, i.e. the Central Bank of Malaysia, a fact which could lead to a certain degree of similarity between them in their procedures and policies regarding empowerment.

On the other hand, in objective two (age, gender and job position), results were found to be different between the two banks. To recap, no differences in empowerment were associated with the demographic characteristics of age, gender or job position in the private bank, while differences were found in the government-owned bank, where older employees were more empowered than younger ones, males reported greater empowerment than females, and those in higher positions reported higher empowerment than those in lower-level jobs.

The above findings on objective two, regarding age, gender and job position, were observed to be largely attributable to the distinct characteristics of demographics in the sample of the two banks. A large proportion of females (almost twice as many as males), many participants at clerical level (the largest category of job position) and a relatively even distribution between age groups were noted in the government-owned bank. In contrast, there were roughly equal numbers of females and males in the private bank, a majority of whom held managerial positions with evidence of uneven distribution in age groups, where the majority were younger employees. Within the context of Malaysia, females are expected to perceive lower empowerment (see section 7.3.4.1) whilst younger employees and clerical
grades are also strongly associated with lower empowerment. The stark differences between the two banks across the demographic factors of age, gender and job position, where over-representation of females and clerical employees and a relatively even balance between age groups are evident in the government-owned bank, could perhaps explain the dissimilarities of the findings between the two banks.

7.4 Overall reflections on the study

Taking together all the findings in relation to the literature reviewed in chapters 2 and 3, to the interview data and to the Malaysian context, as well as the extent of similarity between the two banks, the current study suggests that some particular points are worth noting.

First, there is evidence that culture plays a crucial role in explaining empowerment within the work context of a nation. Where the findings of the study conflicted with those reported in the literature (e.g. objective two for gender and ethnicity), the cultural aspects of Malaysian society, i.e. its social values, customs and beliefs, were found to add substantial understanding to the findings. Culture has frequently been claimed to be a factor which may influence how people experience empowerment (Gill et al., 2010; Holden, 1999; Robert et al., 2000; Spreitzer, 2008). The study provides support for this, as some findings were found to be related to the culture of Malaysia. It also offers hitherto unavailable information pertaining to empowerment and culture within the Malaysian context, where ethnic minorities were found to have greater empowerment than the majority group. On the whole, it is justifiable to conclude from the study that culture plays a crucial role in shaping empowerment.

Secondly, the fact that many findings were aligned with the literature and with the results of previous research imply the broad applicability of Western management theory and practice on matters such as empowerment in the Malaysian context, and within the under-researched work setting of banking in particular. Third, the findings would suggest that ownership status has little influence in terms of the meaning attached to empowerment by managers and the formulation of the empowerment process, while the nature of the business conducted seems to have had a stronger influence in shaping these responses.
Fourth, many findings tended to be explained by the demographic characteristics of the sample. This is particularly useful when discussing those findings that conflict with the literature and in explaining variation between the two banks. Thus, within the context of the study, demographic factors were shown to be important in influencing the perception of empowerment.

Reference to the research objectives and the reported findings enables the study to contribute to a number of important areas of knowledge. These contributions can be said to fall into three categories in terms of their implications: theoretical, methodological and practical. Each of them is discussed next, in its own separate section.

7.5 Theoretical implications

Several theoretical implications emerged as a result of this study, informed mainly by the analysis of the data gathered through the primary research method, i.e. the questionnaire.

There are emerging beliefs that empowerment is a product of American culture, its propositions are argued but not necessarily embraced in different socio-cultural settings and countries at different stages of economic development (Dimitriades, 2005; Hui et al., 2004; Klidas, 2002; Spreitzer, 2008). Eylon and Au (1999) propose the importance of investigating empowerment across cultural, ethnic and national boundaries. Malaysia, the research context of this study, is a country with a multicultural background, making it different from Western countries; hence it is useful to question to what degree products of Western culture such as empowerment influence behaviour in the workplace in Malaysia.

The study therefore adds to the extant literature by putting the concept of empowerment, which has developed and evolved in Western settings, into the perspective of Malaysia, a nation of South East Asia that is culturally distinct from those in the West, America in particular. The fact that many findings were aligned with the literature and previous research has established the applicability of empowerment within a different cultural background, Malaysia.

The study also adds an important emerging consideration to the literature in relation to empowerment and Malaysian cultural orientations from three points: (1) Hofstede’s cultural dimensions (2) gender differences in empowerment, and (3) ethnicity differences in
empowerment. According to Hofstede (1980), Malaysia is characterised as a high power distance country, power distance being the extent to which the less powerful members of institutions and organisations expect and accept that power is distributed unequally. Consistent with this, Malaysians are expected to be more accustomed to centralised authority and may react to an empowering climate with feelings of stress and withdrawal, in which case empowerment is unlikely to be realised (Ergeneli et al., 2007; Eylon & Au, 1999; Klidas, 2002; Matthews, et al., 2003; Seibert et al., 2004). The results of the present study, however, were found to be contrary to these expectations: favourable feelings towards empowerment were reported in the two participating banks, indicating that it had received a positive reception. In essence, the study suggests that Hofstede’s cultural dimension of power distance has little value in explaining empowerment in the Malaysian context. Moreover, the existing limited empowerment studies in Malaysia have shown a similar pattern of findings to those of this study; for example, lecturers in Malaysian higher education institutions (Abd Ghani et al., 2009) and employees of a multi-national company operating in Malaysia (specialising in semi-conductor packaging and hard disk drives) (Ismail et al., 2009) were found to have relatively high empowerment scores on average. It is possible that these results, as well as those of the present study, were strongly influenced by factors other than national culture, such as changes in the economy, technology and education. Malaysia’s economy has been growing rapidly over recent decades, with globally extensive links to others. It is anticipated that this growth, and parallel developments in technology, may have affected the way business is done in Malaysia. As many Malaysian workers are now graduates (Malaysia Industrial Development Authority, 2009), higher education may also have changed the way that empowerment is perceived. In other words, the rapid development of the economy, technology and standards of education can be seen as stimulating a paradigm shift in the thoughts and actions of the Malaysian workforce, thus challenging the way in which things (including empowerment) were done previously.

In relation to gender, the study found that males perceived greater empowerment than females. These findings conflict with the literature, where the two most common findings are of no difference between genders and of stronger perceptions among females. Notwithstanding these conflicts with the literature, the current findings are explicable in terms of the Malaysian context, specifically the cultural value orientations of its society (see section 7.3.4). It appears that social customs and beliefs strongly influenced the way that individuals perceived empowerment. Moreover, gender differentiation is commonly
expressed in Malay culture, where men are seen as playing the main roles in their communities (Ong, 1990), and this is particularly relevant here because Malays represented the majority of the sample in both participating banks. From the perspective of Islam (which is the religion of Malays), the law defines a man’s identity in terms of providing complete economic support for his family and household (ibid.). These factors give men a greater measure of autonomy and influence in everyday life (including the work environment) than women. This greater autonomy means that men are likely to perceive greater empowerment than females. Moreover, published research indicates that employees who felt that they had less autonomy would also feel less empowered (Holdsworth & Cartwright, 2003).

For ethnicity, the minority Others were found to perceive higher empowerment than the majority Malays. The scant published evidence suggests that minorities perceive less empowerment because they typically hold less powerful positions in organisations and are overrepresented at lower levels (Koberg et al., 1999). These conflicts with the literature are again explicable in terms of the Malaysian context (see section 7.3.4). Malays are commonly more conservative in making decisions than their Chinese and Indian counterparts. Malays have been found to be very cautious, careful and systematic in making decisions (Kamaruddin & Kamaruddin, 2009). This reflects their relatively low-risk approach, and their tendency to perceive empowerment less enthusiastically than other groups. In contrast to this caution, the Chinese are argued to have an open attitude to risks and the unknown (Lrong, 1998). This view is shared by Mhd. Juri and Idris (2008), who assert that Malaysian Chinese are strongly perceived as characterised by openness and seen as risk-taking, adaptable and ambitious. Indians have been reported to have a similar value orientation to the Chinese; for example, Fontaine and Richardson (2005) found Indians to be more ambitious than Malays. In the light of these value orientations and that personal risk-taking and initiatives are central to empowerment (Quinn & Spreitzer, 1999), members of the Chinese and Indian minorities in Malaysia are likely to be more receptive to empowerment than the Malays themselves. The current findings thus add considerable information about the interaction between socio-cultural orientation and empowerment. Specifically, they add a new dimension to the literature pertaining to the relationship between empowerment and the demographic characteristics of gender and ethnicity. Most importantly, they also provide information previously unavailable in relation to ethnicity in Malaysia, given that the relation between empowerment and ethnicity has yet to be
explored and should not be ignored in such a multicultural country (Abd Patah et al., 2009; Asma, 1992; 2001; Lim, 1998, cited by Fontaine & Richardson, 2003).

The study further adds to the extant literature by investigating empowerment exclusively within the banking organisation. Banking is often seen as an under-researched setting when it comes to empowerment studies (Ratmawati, 2007; Samad, 2007; Spreitzer, 1995), thus it is crucial to investigate the applicability of empowerment within banking organisations. In Malaysia in particular, existing research on empowerment reveals a tendency to practise it in service organisations such as higher education institutions, hotels, telecommunication companies and hospitals, while its application appears to be limited in other service settings such as banking (Ab. Aziz, 2008; Abd. Ghani et al., 2009; Abd. Patah et al., 2009; Abd. Ghani & Raja Hussin, 2008; Ahmad & Oranye, 2010; Ismail et al., 2009; Karia & Ahmad, 2000; Raquib et al., 2009; Samad, 2007; Wan Mohd Amin et al., 2006). There are assertions that organisations whose business strategy involves a high degree of customisation and personalisation of services should empower their employees (Bowen & Lawler, 1992; Rafiq & Ahmed, 1998). This is particularly relevant to banking organisations, because banking is seen as a highly service-oriented activity with considerable customer contacts (Chebat & Kollias, 2000; Sarkar, 2009). It has been suggested that banking organisations should emphasise empowerment in order to achieve high performance and service quality (Ratmawati, 2007). In this respect, an investigation into empowerment in banking organisations should not be ignored, and indeed must be attempted. The current study begins to fulfil this requirement in that it provides a preliminary platform of empirical support for empowerment from a banking perspective.

The study has also helped to relate empowerment to other traits such as intrinsic motivation and leadership behaviour (i.e. transformational and empowering leadership). It suggests empowerment as antecedent to leadership behaviour specifically; and attempts to investigate leadership behaviour as the mediator variable between empowerment and its outcome of intrinsic motivation in light of two factors. First, it has been explained that there are situations where employees lack objective features of empowerment (which may include leadership behaviour) but still feel and act in empowered ways (Spreitzer, 2008), although Greasley et al. (2008) argue that empowerment may occur whenever and only when employees believe that they are empowered. This suggests the likelihood of having empowerment as the antecedent to leadership behaviour. Secondly, many previous studies
have taken a singular view of leadership behaviour as the antecedent to empowerment, while few have adopted an alternative view, i.e. empowerment as antecedent to leadership behaviour or leadership behaviour as a mediator in the relationship between empowerment and its outcome, i.e. intrinsic motivation (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Chiang & Jang, 2008; Dewettinck & Ameijde, 2011; Ismail et al., 2011; Özaralli, 2003; Spreitzer et al., 1999), indicating a gap in the literature that should be looked into. As noted previously (see section 2.7), the selection of transformational and empowering leadership was based upon the assertion that these two leadership behaviours are most relevant to an empowerment environment in that they encourage empowering behaviours (Spreitzer et al., 1997; Yukl, 2002). Whilst transformational leadership produces a sense of meaningfulness, competence and impact (i.e. dimensions of empowerment) through its inspirational ability (Dewettinck & Ameijde, 2011), empowering leadership draws on the elements of leadership most concerned with change, which is consistent with empowerment that facilitates innovative behaviour (Spreitzer et al., 1997). As for intrinsic motivation, there have been limited empirical attempts to investigate it in relation to empowerment, despite the strong assertions that empowerment embodies the concept of intrinsic motivation (Beach, 1996; Carless, 2004; Conger & Kanungo, 1988; Mallak & Kurstedt, 1996; Thomas & Velthouse, 1990). The crucial role of intrinsic motivation in the workplace is undeniable. Thomas and Velthouse (1990), for example, explain that individuals with intrinsic motivation will not only be able to work in the absence of close supervision but are also resilient to obstacles and can sustain their motivation in the face of problems or ambiguity. To the best of the author’s knowledge, no other empowerment studies hitherto have addressed or analysed these relationships (empowerment, leadership behaviour and intrinsic motivation) within the context of banking in Malaysia.

The core contribution of the current study therefore lies in its investigation into leadership behaviour (transformational and empowering) as a mediator variable between empowerment and the overlooked outcome of intrinsic motivation for an under-studied service type of organisation, i.e. banking. The findings suggest evidence of mediation, whereby the role of leadership behaviour as a mediator is enriched; this is true for the two leadership behaviours, transformational and empowering. Explanations can be offered to account for the findings, as discussed previously (see section 7.3). The findings were in line with the literature that suggests integrative links between empowerment, leadership behaviour and intrinsic motivation, with published evidence of significant relationships
between empowerment and leadership behaviour (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Chiang & Jang, 2008; Özaralli, 2003; Spreitzer et al., 1999), between leadership behaviour and intrinsic motivation (e.g. Charbonneau et al., 2001; Piccolo & Colquitt, 2006) and between empowerment and intrinsic motivation (Hechanova et al., 2006; Zhang & Bartol, 2010). Moreover, empowerment has been a practice in Malaysian government departments and the private sector; circulars pertaining to mandatory instruction of empowerment have been issued by the Malaysian government to its departments since the 1990s and many private banks in Malaysia have initiated empowerment policies as part of their philosophy of attaining excellence in customer service and management of business operations (Abd. Ghani et al., 2009; AMMB Holding Berhad Annual Report, 2008; Malaysian Administrative Modernisation and Management Planning Unit, 2009; Public Bank Berhad Annual Report, 2009), offering further support for the mediation effect. The evidence of mediation as demonstrated in this study can therefore be said to provide sufficient substance from which to extrapolate the contribution of the current study at a theoretical level. In other words, the study adds insight to the theoretical framework of empowerment literature in which leadership behaviour can be positioned as a mediator between empowerment and its outcome (thus the conceptual framework, i.e. the proposed model as shown in Figure 7.1 is established), in addition to the previous contributions that tended to focus on empowerment as a mediator between leadership behaviour and its outcome.

The final significant theoretical contribution of this study involves the investigation of empowerment as the mediating role of relationship between leadership behaviour (i.e. transformational leadership and empowering leadership) and its outcome (i.e. intrinsic motivation), as widely suggested in the literature (Avey et al., 2008; Bartram & Casimir, 2007; Chiang & Jang, 2008; Dewettinck & Ameijde, 2011; Ismail et al, 2011; Meyerson & Kline, 2008; Özaralli, 2003). The study confirmed the mediation effect of empowerment by which the competing model shown in Figure 7.1 is supported. Specifically, the findings further advanced the role of empowerment a mediator in the relationship between leadership behaviour and its outcomes, as widely suggested in the literature, within a different research context and organisational setting, i.e. Malaysia and banking institutions respectively.
In summary, the study has enriched the academic literature through the application of the Western-influenced theory of empowerment in the non-Western setting of Malaysia, in the context of an under-researched service type of organisation, i.e. banking, examining the unexplored integrative relations between three traits of empowerment, leadership behaviour (i.e. transformational leadership and empowering leadership) and intrinsic motivation, specifically with leadership behaviour as a mediator in the relationship between empowerment and its outcome of intrinsic motivation. Having discussed the theoretical implications of the current study, the focus in the following two sections now turns to the methodological and practical implications.

7.6 Methodological implications

Whilst the theoretical implications are informed by the analysis of data gathered mainly from the primary research method of the study, i.e. the questionnaire, the methodological implications are informed by the findings of both the questionnaire and the secondary research method, i.e. the semi-structured interviews.

The major methodological implication of this study comes from the use of mixed methods as an overarching methodology. While numerous methods are reported in the literature as having been employed in investigating empowerment, many utilised a single method, which in the majority of cases was a quantitative questionnaire. A mixed approach, combining quantitative and qualitative methods, seems to have been ignored within the banking setting in particular (Ergeneli et al., 2007; Kappelman et al., 1996; Melhem, 2004; Wat & Shaffer, 2005) and in Malaysia more generally (Ab. Aziz; 2008; Abd. Ghani & Raja Hussin, 2008; Abd. Ghani et al., 2009; Ismail et al., 2009; Karia & Ahmad, 2000; Samad, 2007; Wan Mohd Amin et al., 2006). In the study of empowerment, which is considered to be rather subjective, a mixed methods approach should be employed to strengthen the reliability of the findings. Punch (1998) point outs that such an approach is better at generating quality of findings and minimising the weaknesses of each individual method. These views are corroborated by this study. Some unexpected findings of the questionnaire were clarified by the data gathered through the semi-structured interview. For example, the lack of difference in empowerment across job positions in the private bank was explained by the interview data. To reiterate, one of the senior managers from the private bank strongly emphasised the importance of competence above job position in empowerment. He
further stressed that empowerment is given according to the employees’ competencies rather than the position held.

The other methodological implication of the study is the replication of the findings of previous studies, including positive relationships between empowerment and leadership behaviour (Avey et al., 2008; Bartram & Casimir, 2007; Ismail et al., 2009; Kark & Shamir, 2002; Özaralli, 2003) and between empowerment and intrinsic motivation (Hechanova et al., 2006; Zhang & Bartol, 2010). Meanwhile, the current investigation of demographic characteristics in relation to empowerment found many factors (i.e. age, organisational tenure and job position) to be consistent with published findings (Denmark, 1993; Hancer & George, 2003; Holdsworth & Cartwright, 2003; Koberg et al., 1999; Özaralli, 2003). Thus the current work confirms and validates the results of earlier research into the specific perspective of two Malaysian banking organisations, i.e. a private and a government-owned bank. In this way, the study helps to reenergise the rigour of the previous studies that obtained similar findings.

7.7 Practical implications

There are assertions that motivated employees are essential to an organisation. Heller (1998), for example, argues that highly motivated employees supply organisations with new initiatives that are necessary in the competitive business world. Sargent (1990) suggests that if individuals are highly motivated, they will be more productive and perform better. This signifies that motivation brings benefits not only to employees but also to organisations. The current study has demonstrated that empowerment is linked to the motivation of employees. This has an important implication in relation to encouraging the use of empowerment as a means of motivating people in the workplace.

In this study, the two most pertinent issues that emerged from the analysis of the interview data in relation to the empowerment process are lack of acceptance by employees and inadequate systems of monitoring. Conceptually, many of the assertions suggest that these issues could undermine the relative success of empowerment and it is essential to address them effectively (Cook, 1994; Cunningham et al., 1996; Klagge, 1998). The study therefore validates the pertinence of these issues in empowerment research. They are seen to be of particular relevance to the context of banking, the nature of whose business involves
managing relationships with customers and where empowerment is argued to be an effective way to manage the unique relationships with customers (Bowen & Lawler, 1992; Rafiq & Ahmed, 1998). It is crucial to address these issues in order to facilitate a stronger empowerment process, which is particularly important for service-type organisations such as banks. Whilst this study does not provide a design for future empowerment programmes, it outlines the main considerations (i.e. lack of acceptance by employees and inadequate systems of monitoring) that the programme developer/owner of empowerment should take into account in developing or enhancing empowerment. These considerations should then be embedded tactically and strategically within the empowerment process itself.

The study also has implications for managers in providing evidence that transformational and empowering leadership help to influence the relationship between empowerment and its outcome. Specifically, the findings inform managers that both of these leadership behaviours are able to facilitate or reduce employees’ sense of empowerment. Therefore, managers should give priority to developing these behaviours in the workplace, where they will serve as the best resources to realise the potential benefits of empowerment.
7.8 Summary

This chapter has provided a discussion of the findings pertaining to the eight research objectives formulated at the beginning of the study. It will be recalled that six of these were addressed through the main research method of the study, i.e. the questionnaire, and two through the secondary one, i.e. semi-structured interviews. The discussion considered four main parameters: consistency with literature, links to interview data, the Malaysian context and similarity across banks.

First, it was suggested that many of the findings were consistent with the literature. These include findings related to objectives one, two (for age, gender, organisational tenure and job position), three, four, five, six, seven and eight. Not only did these corroborate the conceptual claims, but the results of previous research were also replicated. Put simply, the study is believed to position itself within the parameters of the academic literature, considering the indication of consistency suggested by many of the findings. More importantly, the study adds considerable understanding on the applicability of empowerment within the under-researched context of banking, particularly in Malaysia.

It was found that the interview data, in the way that they related to the quantitative findings, fulfilled two roles, strengthening the questionnaire findings and explicating some areas of conflict with the literature. Those findings that conflicted with the literature, i.e. those concerned with objective two (job position), were clarified by reference to the interview data. The use of the latter in discussing the findings illuminates the merit of employing mixed methods in the research design.

Similarly, considering the Malaysian context also helped to elucidate some of the findings that conflicted with the literature, i.e. objective two (gender and ethnicity) and objective five in particular. The Malaysian context provides the understanding of these conflicts from the viewpoint of the culture of the nation, including the perspective of the society on custom, faith and beliefs, which was discovered to play a major role in explaining empowerment. Most importantly, taking the Malaysian socio-cultural perspective emphasised further the importance of culture in the understanding of empowerment.
Many findings were discovered to be identical between the two banks. These included objectives two (ethnicity and organisational tenure), seven and eight. It has been reasoned that such similarity can be explained by factors such as the identical work settings of the questionnaire respondents (i.e. the head office), the nature of the business (i.e. banking), customer segmentation (members of the public) and the fact that the two banks were under the supervision of the same supervisory body. Conversely, those findings that were dissimilar regarding objective two (age, gender and job position), could be linked to the influence of demographic factors themselves.

The chapter continued with syntheses of findings encapsulated in relation to its contributions to knowledge implications from three perspectives: (1) theoretical, (2) methodological and (3) practical. With regard to theoretical implications, the significant contribution is the investigation of empowerment as the antecedent to leadership behaviour, specifically looking into leadership behaviour as the mediating variable between empowerment and its outcome, which departs from past research that focuses on leadership behaviour as the antecedent to empowerment. In terms of methodological implication, this study further supports the use of mixed methods as an overarching methodology whilst practical implications emphasise the use of empowerment as a means to motivating employees.

The next chapter concludes this thesis. It reviews its limitations and suggests avenues for future research.
8 CONCLUSION

8.1 Introduction

This study has investigated empowerment in banking organisations in Malaysia, a context often described as under-researched when it comes to empowerment studies (Ratmawati, 2007; Samad, 2007; Spreitzer, 1995). Specifically, it has examined the applicability of empowerment and its relation to other constructs from the perspective of banking organisations, where a study addressing these issues is lacking (Ergeneli et al., 2007; Holden, 1999; Kappelman et al., 1996; Melhem, 2004; Sarkar, 2009; Wat & Shaffer, 2005). To this end, two banks participated in the study, one privately owned and the other government owned. The private bank was one of the leading and largest private banks in Malaysia, while the other was one of the oldest of its type and had total assets in line with the majority of government-owned banks.

The study employed a concurrent embedded strategy of mixed methods, cross-sectional in nature; the research design was such that both quantitative and qualitative data were collected, using a questionnaire as the primary research method and semi-structured interviews as the secondary one (Creswell, 2009). The questionnaire was completed mainly by employees based at the head offices of the two participating banks, while the interviewees were 12 senior managers, six from each of the two banks, selected by their respective human resources departments.

The study has followed the psychological approach to empowerment, which refers to the individual’s perception and experience, as this was seen as more efficacious at providing an understanding of the empowerment process than the structural approach, which refers to empowerment as a management technique, i.e. the sharing of authority (Menon, 2001). Many assert that the expected benefits of empowerment will be realised only if employees actually experience it, i.e. they are in a psychological state of empowerment (Greasley et al., 2008; Matthews et al., 2003; Menon, 2001; Siegall & Gardner, 2000; Spreitzer, 1995; 1996; Thomas & Veltthouse, 1990). Yukl (2002) explains that it is important to consider the psychological process in empowerment, as it can help to explain when and why efforts to empower people are likely to be successful. As such, the psychological approach was believed to offer the best fit within the parameters of the current study.
An in-depth review of the literature revealed that several areas of investigation were absent from the current academic literature on empowerment. First, there was little empirical evidence of the link between intrinsic motivation and empowerment, despite the many claims that the two are closely interrelated (Beach, 1996; Carless, 2004; Conger & Kanungo, 1988; Gagné et al., 1997; Hechanova et al., 2006; Mallak & Kurtsedt, 1996; Thomas & Velthouse, 1990; Zhang & Bartol, 2010). Secondly, many studies were found to examine leadership behaviour as the antecedent to empowerment; however, investigations of the alternative relationship, i.e. empowerment as the antecedent to leadership behaviour, or more specifically, leadership as the mediator of the relationship between empowerment and its outcome, were rarely found (Avey et al., 2008; Avolio et al., 2004; Bartram & Casimir, 2007; Dewettinck & Ameijde, 2011; Ismail et al., 2009; Özaralli, 2003). Third, many empowerment studies in banking were found to be limited in the criteria examined, investigating antecedents to or consequences of empowerment. Relatively comprehensive in-depth research, such as into the empowerment process and the meaning attributed to it by managers within a specific bank, appears to be scarce (Honold, 1997; Klidas et al., 2007; Lashley, 1995; 1999; Moye & Henkin, 2006). Fourth, there is poor understanding of the role of demographic characteristics in empowerment, considering the varied findings of existing investigations of a link between the two (e.g. Dimitriades & Kufidu, 2004; Hancer & George, 2003; Miller et al., 2001; Özaralli, 2003; Pitts, 2005; Spreitzer, 1996; Tuuli & Rowlinson, 2009).

Most important, the impetus for this study came from the need for further empirical work in other cultural contexts, considering that the existing empowerment research has demonstrated cross-cultural differences among countries (Dimitriades, 2005; Robert et al., 2000; Sigler & Pearson, 2000). Given that empowerment is a product of Western culture, it is plausible to question the degree to which it may influence behaviour in the workplace in Malaysia, which is a place with a different culture and beliefs. Moreover, some published work has asserted the existence of many empowerment investigations in Asia, but little attention appears to have been paid to South East Asian countries such as Malaysia (Ahmad & Oranye, 2010; Bordin et al., 2007; Hechanova et al., 2006; Klidas, 2002).
The author believes that this study marks an important step forward, given the very limited number of previous studies investigating empowerment in relation to other constructs of leadership behaviour and intrinsic motivation. In addition, the study took place in the banking industry, which is seen as an under-researched organisational type within the field of empowerment research. It was entirely set in Malaysia, which until now has apparently received little attention from empowerment researchers. Essentially, the study provides a comprehensive investigation of empowerment in relation to other constructs while also considering the full breadth of the topic, in that it has examined the process of empowerment and explored its meaning from the viewpoint of managers. Eight specific research objectives were formulated on the basis of the extensive literature reviews reported in chapters two and three:

1. To determine the differences in employee empowerment between private and government-owned banks;
2. To determine the differences in employee empowerment across age, gender, ethnicity, organisational tenure and job position;
3. To examine the relationship between empowerment and leadership behaviour (i.e. transformational leadership and empowering leadership);
4. To ascertain the relationship between empowerment and intrinsic motivation;
5. To investigate the extent to which leadership behaviour (i.e. transformational and empowering leadership) affects the relationship between empowerment and intrinsic motivation;
6. To investigate the extent to which empowerment affects the relationship between leadership behaviour (i.e. transformational and empowering leadership) and intrinsic motivation;
7. To identify the understanding and definition of empowerment among bank managers;
8. To reveal the empowerment process within Malaysian banks.

It is important to recognise that the above objectives are of two kinds: descriptive (the first six of the eight) and explorative (the last two). This is to be expected, considering the diverse gaps that the study aimed to address. This merits the design of the current study, informed by a mixture of quantitative and qualitative methods, with emphasis on the former.
The core finding from the questionnaire was the evidence of a mediation effect where leadership behaviour (i.e. transformational leadership and empowering leadership) is found to significantly mediate the relationship between empowerment and its overlooked outcome of intrinsic motivation; this was true for both types of leadership behaviour investigated, i.e. transformational and empowering leadership. To reiterate, these two behaviours were selected in the belief that they were the most relevant to the empowerment environment (Spreitzer et al., 1997; Yukl, 2002). The findings provide preliminary evidence of mediation in such a relationship (thus the conceptual framework, i.e. the proposed model as shown in Figure 7.1 is supported), as they depart from previous research that focuses on leadership behaviour as the antecedent to empowerment. Rather than the mediation effect revealed, the assertions that management practices (which may include leadership behaviour) will not necessarily be able to empower employees (Spreizer, 1995), that employees still feel and act in empowered ways despite lack of objective features of empowerment (which may include transformational and empowering leadership) (Spreitzer, 2008) and that empowerment may occur whenever and only when employees believe that they are empowered (Greasley et al., 2008) suggest the likelihood of empowerment as the antecedent to leadership behaviour and were empirically supported in this study. The putative integrative links between empowerment, leadership behaviour and intrinsic motivation reported in the literature: leadership behaviour and intrinsic motivation (e.g. Charbonneau et al., 2001; Piccolo & Colquitt, 2006), empowerment and intrinsic motivation (Hechanova et al., 2006; Zhang & Bartol, 2010) and leadership behaviour and empowerment (e.g. Avey et al., 2008; Bartram & Casimir, 2007; Chiang & Jang, 2008; Özaralli, 2003; Spreitzer et al., 1999) to a certain degree help to support the evidence for mediation. The long practice of empowerment in both Malaysian government departments and the private sector are also deemed to support the findings on mediation. Circulars pertaining to mandatory instruction of empowerment have been issued by the Malaysian government to its departments since the 1990s (Abd. Ghani et al., 2009; Malaysian Administrative Modernisation and Management Planning Unit, 2009), whilst empowerment policies have been preferred by many private banks as part of their philosophy of attaining excellence in customer service and management of business operations (AMMB Holding Berhad Annual Report, 2008; Public Bank Berhad Annual Report, 2009).
Another core finding of the questionnaire survey was that some unexpected results were explicable within the Malaysian context, particularly taking account of the cultural aspects of Malaysian society such as social values, customs and beliefs. This is consistent with frequent claims that culture is a factor which may influence how people experience empowerment (Gill et al., 2010; Holden, 1999; Robert et al., 2000; Spreitzer, 2008). The study therefore gives support to these assertions and offers evidence that culture has a crucial role in explaining empowerment within the work context of a nation.

The findings of differences of empowerment across demographic factors in the questionnaire data raise another considerable point worthy of recognition. The fact that the empowerment differed according to demographic factors may have highlighted the crucial role of the demographic factors in strongly shaping the feeling of empowerment by the employees.

Meanwhile, the interview findings pertaining to the meaning of empowerment were that all 12 participants suggested that their understanding of empowerment stemmed from the structural approach to empowerment rather than the psychological approach. The structural approach emphasises the concept of sharing power between superior and subordinates through delegation of authority in the organisation (Ahearne et al., 2005; Knol & Linge, 2009; Mills & Ungson, 2003). Participants’ understanding of this approach was therefore unsurprising, as empowerment within the work context is commonly seen as a management technique for sharing power and decision making, rather than being perceived in terms of the psychological approach, which emphasises the psychological state of the individual being empowered. Moreover, the psychological approach to empowerment is noted to be frequently discussed in academic publications rather than at the practitioner level. Spreitzer (2008) explains that ‘the structural approach has garnered much attention from practitioners because it helps them to see how the different kinds of managerial actions can facilitate empowerment at work’ (p.56). Therefore, it is plausible to see the considerable understanding of empowerment on the part of the interview participants as built upon the structural approach to empowerment rather than the psychological approach, despite heavy criticism of the former for neglecting the experiences of individuals in the empowerment process (Chan et al., 2008; Siegall & Gardner, 2000; Spreitzer, 1995; Thomas & Velthouse, 1990).
The interview findings also highlighted a number of important characteristics that could influence the relative success of empowerment in the organisation. These included the lack of acceptance of empowerment by employees, which was found to be attributable to fear of being blamed for making wrong decisions, to an interpretation of empowerment as an extra responsibility, increasing their workload, and to the lack of a system for monitoring empowerment. This highlights the important practical implications of making improvements for the success of empowerment in the organisation.

Another essential point raised from the interview findings is that there is strong evidence of similarities in findings for the two banks, despite their different ownership structure, suggesting the lack of influence of ownership structure. Perhaps sharing the same customer base (i.e. members of public), offering identical banking services and being subject to the same supervisory body, i.e. the Central Bank of Malaysia, might be a strong factor in the similarities in the findings.

8.2 Study limitations

Whilst this study was designed with cautious consideration, it is nonetheless subject to several limitations, each of which is discussed in turn below.

8.2.1 Focus on banking organisations

The study utilised a sample of private and government-owned banks in Malaysia, so that its findings are somewhat limited by its focus on that specific organisational context, i.e. banking. Therefore, one should be cautious in interpreting the results as applicable to other organisational contexts and sectors in Malaysia.

8.2.2 Sample size - Questionnaire

Gaining access to the sample, i.e. Malaysian banks, in the study was a great challenge for the researcher, who originally intended to secure as many banks as possible to participate. Invitations to participate in the study were sent to all Malaysian banks in the categories of private and government-owned, nine and four respectively. In the end, only two banks
agreed to participate, one of each type. Considering this small sample, the external validity (i.e. generalisability) of the findings is limited. The two banks cannot be treated as representative of their types and hence the findings cannot be extended to all Malaysian banks, although the study might have significant implications for the two participating banks.

8.2.3 Diversity of participants

Respondents to the questionnaire were mainly from the head offices of the two banks and it is possible that the findings of the study may not be transferable to employees at branch level. There was also over-sampling of Malays as the ethnic group in the study. Thus, there is a concern about whether the findings can be generalised to other ethnic groups in Malaysia, such as the Chinese, Indian and indigenous communities.

8.2.4 Use of non-random snowball sampling

As personal access was granted to the researcher by the private bank, a simple random sampling strategy underlay the participant recruitment process (Bryman, 2008; Ghauri & Grønhaug, 2005). In contrast, a non-random snowball sampling strategy formed the basis of the process in the government-owned bank, since no personal access was permitted and the HR department was the sole distributor and collector of the questionnaire (Denscombe, 2003). Such use of non-random snowball sampling has its drawbacks. Lindebaum (2008), for example, highlights the fact that the external validity (i.e. generalisability) of the research findings may be limited. The researcher should be aware of the existence of this potential problem and should interpret the findings with caution.

8.2.5 Sample size - Semi-structured interview

A total of only 12 senior managers, six from each bank, participated in the semi-structured interviews. Ideally, the researcher would have liked to have recruited more participants, but the access restriction made it difficult. The interviews were limited to senior managers, as they were believed to own empowerment. This made it rather complicated to recruit more interviewees, due to the tight working schedules of people at this level, in addition to the access restriction. Moreover, in initial discussions, the HR department of each bank agreed
to allow the researcher access to a maximum of six senior managers, who were selected by the HR teams, making informant bias liable to occur. Eisenhardt and Graebner (2007) point out that ‘interviews often provoke a “knee-jerk” reaction that the data are biased in which impression management and retrospective sense making are deemed the prime culprits’ (p. 28). In this respect, steps were taken to minimise the implication of informant bias. This included establishing a rapport with each respondent before the interview and probing further responses during the interview. Throughout data analysis, there was a focus on responses that were relevant and helped to clarify the findings of the primary (questionnaire) data. It is hoped that taking these precautions will have minimised the risk of information bias, even if it could not be totally avoided.

8.2.6 Degree of disclosure of the participants

There were occasions when interview participants asked to speak ‘off the record’ and two participants even disagreed with the interview being recorded. These incidents suggest that the participants were uncomfortable about giving their responses to the study. Although confidentiality was assured at the beginning of each interview, it is possible that these participants were afraid that their responses might be disclosed to the HR departments. All 12 interview participants were selected by their HR departments, so because their identity was known it is possible that these participants felt that their confidentiality was at stake. It is thus unsurprising that they were reluctant to reveal detailed information, in order to avoid any complications for themselves in the future. In this instance, it may have caused an under-reporting of the real information that could be important for the study.

8.2.7 Self-report measures

The questionnaire in the study was of a self-report design. Self-report measures are argued to be ‘fraught with problems, particularly with regards to inaccuracies and external influences accounting for individuals’ responses’ (Crozier, 2009, p. 382). A key feature of such measures is that the responses are largely influenced by external factors. A bad day at work, for example, will lead to a tendency to report negative responses, whilst after a good day at work, participants will more enthusiastically express a positive response. This could result in a distortion of the findings, making them inaccurate and of low validity. The use
of mixed methods in the study reduces, to a certain extent, the possible effect of the self-report measures, although it does not eliminate the effect entirely.

8.2.8 Cross-sectional study

The study had a mixed method design and was cross-sectional in nature, providing a ‘snapshot’ of how a set of variables interacted at a single point in time (Bryman, 2008; Lewis-Beck et al., 2004b). This design, however, is not able to capture changes over time among the variables being investigated. There is a concern as to whether what has been found in the current study will be the same in the future. A longitudinal study would be valuable here, as it would allow repeated observations of the same variables over an extended period. In contrast to cross-sectional studies, longitudinal ones can give answers to questions concerning change. Unfortunately, due to time constraints and access restrictions, a longitudinal study was not possible here.

8.2.9 Common method variance

Common method variance is defined as ‘systematic error variance shared among variables measured with and introduced as a function of the same method and/or source’ (Richardson, Simmering & Sturman, 2009, p. 763). Podsakoff and Organ (1986) identify common rater effects, i.e. the respondent providing the measure of the predictor and criterion variables is the same person as one of the potential sources of common method variance. Since the data were collected from a single informant, there is concern about the nature of the common method variance in the study. Consequently, effort has been made to minimise its effect. The researcher followed the procedural remedies for common method variance as suggested by Tourangeau, Rips and Rasinski (2000) in designing the questionnaire. These include keeping the questions as simple as possible and avoiding any ambiguous or unfamiliar terms in the questionnaire. According to Podsakoff et al. (2003 p. 888), ‘common method variance can be reduced by allowing the respondents’ answer to be anonymous as it should reduce people’s evaluation apprehension and make them less likely to edit their responses to be more socially desirable, lenient, acquiescent and consistent with how they think the researcher wants them to respond’. The questionnaire was also designed in such a way as to emphasise anonymity.
8.3 Avenues for future research

This study raises the possibility of several avenues for future research into empowerment. First, longitudinal research should be conducted to assess long-term changes in perceptions of empowerment before and after some kind of organisational intervention, which would help to explain the degree to which organisational change produces changes in employee empowerment (Philamon, 2003). Future research should investigate trends and changes over time to provide further information on the longer-term implications of empowerment. It would be interesting to see how changes over time would influence empowerment.

Secondly, this study was confined to banking organisations. It is suggested that future research should investigate empowerment across the service sector. Considering the importance of empowerment within this context, it would be fruitful for future research to attempt a cross-comparison of empowerment within a number of service industries. It would also be interesting to replicate the current study in other organisational settings and to compare outcomes. It may be the case that there will be stronger perceptions of empowerment within service organisations, where extensive customer interaction is evident and empowerment is in strong demand, than in non-service organisations, where empowerment may be less available.

The third avenue draws on the finding that ‘Others’, i.e. members of minority ethnic groups, were found to have higher empowerment than the majority Malays. This contrasted with findings reported in the literature indicating that minority groups often felt less empowered than majority ethnic groups (The United States Census Bureau, 1992). Thus, the traditional view that minorities feel less empowered was overturned in the current findings. Although the findings are explained by reference to the Malaysian context (see section 7.3.4), further research into ethnicity and empowerment is merited, perhaps set in other countries with multicultural populations, to investigate to what extent minorities feel less empowered than the majority ethnic group; this may also help to elucidate the current findings.

Fourth, future studies should make use of more sophisticated means of analysis such as Structural Equation Modelling (SEM) to investigate the mediation role of leadership.
behaviour in relation to empowerment and intrinsic motivation, so that more reliable conclusions can be drawn (Kaplan, 2000). Furthermore, SEM would be helpful in explaining more precisely the relationships between variables. To reiterate (see section 5.10), mediation testing can be conducted in four ways: through path analysis, structural equation modelling, proxies embedded in linear regression and multilevel modelling (Lewis-beck et al., 2004b). The method of proxies embedded in linear regression was preferred here over SEM because it was seen as the most common method of testing mediation in psychological research (Baron & Kenny, 1986; Judd & Kenny, 1981; Kenny et al., 1998; MacKinnon et al., 2002 cited by Frazier et al., 2004). To test whether a mediator variable significantly carried the influence of an independent variable to a dependent variable, the Sobel test was employed (Pierce, 2003; Preacher & Hayes, 2004; Preacher & Leonardelli, 2006; Soper, 2010), as it is claimed to converge closely with sample sizes greater than 50 (Preacher & Leonardelli, 2006).

Lastly, this study focused on a very specific type of positive outcome to empowerment, i.e. intrinsic motivation. As mentioned previously (see section 2.10), a number of positive outcomes to empowerment have been frequently investigated in literature, such as competitiveness, managerial effectiveness, customer service quality, customer satisfaction, job satisfaction, organisational commitment, job performance and innovative behaviour (Abd. Ghani & Raja Hussin, 2009; Bordin et al., 2007; Chang et al., 2010; Hechanova et al., 2006; Meyerson & Kline, 2008; Nielsen & Pedersen, 2003; Spreitzer, 1995; Spreitzer et al., 1997; Ugboro & Obeng, 2000). It would be worthwhile for future studies to extend the positive outcomes of empowerment to other outcomes. Such an undertaking would be useful in rigorously investigating the potential benefits of empowerment.
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339


Woolnough, H. M. (2007). *A longitudinal study to investigate the impact of a career development and mentoring programme on female mental health nurses*. The University of Manchester, Manchester.


APPENDIX 1: Sample email to invite participation to the study

Dear [Name],

I am a PhD student at Manchester Business School, The University of Manchester, and I am writing this email to express my interest in conducting a research study in your organisation. The research is under the supervision of Dr. Sheena Johnson (Dr. Sheena) and Professor Marilyn Davidson (Prof. Marilyn) from People, Management and Organisations division.

The area that will be studied is empowerment and employee motivation. Empowerment has been shown to lead to higher job satisfaction, productivity and motivation. It can foster a culture of excellent and professionalism within an organisation and minimize employee conflicts of attention, turnover and grievances. Your participation will help you better understand your workforce and provide information on how empowerment can increase the motivation of your employees. In addition to a full report on this research, you will also be given the opportunity to input to the research.

The research consists of an employees questionnaire and face to face interviews. Questionnaires can be completed within 15 minutes and interviews with managerial position will take approximately an hour per session.

I will be in touch to discuss further and should you require more information on the study, please feel free to contact me at azamza@postgrad.mbs.ac.uk or at 0114 927 7755. A testimonial letter from Dr. Sheena Johnson and confirmation letter from Postgraduate Office of Manchester Business School are also enclosed for your reference.

Thank you in advance for your kind consideration of this application.

Yours sincerely,

Azamza Zahiria
PhD Candidate
Manchester Business School
The University of Manchester

Attachments: (Click this link to browse)

Testimonial-letter.pdf Confirmation-letter.pdf
PARTICIPATION INFORMATION SHEET

Dear Sir/Madam,

Thank you for considering being involved in this research study. This information sheet provides more details of the research I am conducting and what participation in the research involves. Once you have read through the information sheet and have confirmed that you would like to participate, please sign the consent form attached and keep a copy for your reference. I will be available in your organisation throughout the research period and will be collecting the signed consent form and completed questionnaire at your workstation.

Research Overview

I am a PhD Candidate at the Manchester Business School of The University of Manchester. As part of my degree course, I am undertaking a research study leading to a thesis. The study aims to develop our understanding of empowerment practices among managers in Malaysia and the role played by empowerment in employee motivation. The study also intends to investigate the leadership behaviour among managers and to examine whether leadership behaviour facilitates the empowerment effect on employee motivation.

This study is an exploration of your experiences, ideas and feelings about empowerment, motivation and leadership behaviour that you may have encountered in your workplace. This study is mainly concerned with your experiences and perceptions and is not an assessment of your skills or knowledge.

By participating in this research you and other participants will be contributing to the better understanding of empowerment practices among managers in Malaysia. You will also be expanding the researcher’s knowledge of the implications of empowerment on employee motivation in organisations.

Participation

Participation in this study will involve the completion of a questionnaire. This questionnaire will ask you to answer questions about you and your opinions on empowerment, motivation and leadership behaviour. The questionnaire will take approximately 10-15 minutes to complete.

Participation in this study is voluntary. You are free to choose to take part and can withdraw your participation at any time without providing any reason.

Research Responses

Responses collected will form the basis of my research study and will be put into a written thesis. Results of the research may also be published in peer reviewed journals and conference presentations.
Confidentiality

Your participation in this study will be treated with the utmost confidentiality and your anonymity is assured. No material which could personally identify you will be used in any reports for this study. Only grouped responses will be presented in the findings. No other person, other than the researcher and supervisors directly involved in the study, will have access to the responses.

Further Information

I am very happy to answer any questions you may have about participating in this study. I will also be available to respond to any questions throughout the research process. I can be contacted by post, telephone or email:

Azzarina Zakaria  
Manchester Business School  
The University of Manchester  
Booth Street West  
Manchester  
M15 6PB  
Phone: +60 13 3514568 or +44 7942277765  
Email: azzarina.zakaria@postgrad.mbs.ac.uk

Thank you once again for considering taking part in this study. Your time and willingness to participate is greatly appreciated.

Yours sincerely,

Azzarina Zakaria  
Researcher
## APPENDIX 3: Consent form for questionnaire

### CONSENT FORM

Data gathered during this research will be treated as confidential and securely stored. Please answer each statement concerning the collection and use of the research data. Tick (✓) as appropriate.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have read and understood the information sheet.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have been given the opportunity to ask questions about the study.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that I have the right to withdraw from this study at any time without giving any reason.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that all information gathered in this study is confidential.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have been given information on the researcher’s name and contact number and address if I require further information.</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I agree to participate in this study.</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Participant’s signature: .............................................

Date:...........................................................................................
APPENDIX 4: Psychological empowerment questionnaire

Each of the statements below is something that a person might say about his or her job. You are to indicate your own personal feelings about your job by marking how much you agree or disagree with each of the statements. Circle your answer.

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The work I do is very important to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>My job activities are personally meaningful to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>3.</td>
<td>The work I do is meaningful to me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>I am confident about my ability to do my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>5.</td>
<td>I am self-assured about my capabilities to perform my work activities.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>6.</td>
<td>I have mastered the skills necessary for my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>7.</td>
<td>I have significant autonomy in determining how I do my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>8.</td>
<td>I can decide on my own how to go about doing my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>9.</td>
<td>I have considerable opportunity for independence and freedom in how I do my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>10.</td>
<td>My impact on what happens in my department is large.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>11.</td>
<td>I have a great deal of control over what happens in my department.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>12.</td>
<td>I have significant influence over what happens in my department.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>
APPENDIX 5: Transformational leadership questionnaire

Listed below are descriptive statements about your superiors. For each statement, we would like you to judge how frequently your current immediate superior has displayed the behaviour described.

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Not at all</th>
<th>Once in a while</th>
<th>Sometimes</th>
<th>Fairly Often</th>
<th>Frequently, if not always</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Makes me feel good to be around him/her.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Expresses with a few simple words what I could and should do.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Enables me to think about old problems in new ways.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Helps me to develop myself.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>I have complete faith in him/her.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Provides appealing images about what I can do.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>Has provided me with new ways of looking at things which used to be puzzle for me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Let me know how I am doing.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Makes me proud to be associated with him/her.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Helps me find meaning in my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>His/her ideas have forced me to rethink some of my own ideas which I had never questioned before.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>Gives personal attention to members who seem neglected.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
APPENDIX 6: Empowering leadership questionnaire

Below are statements that describe management behaviours. You should indicate how often your current immediate superior engages in these behaviours. Circle your answer.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Occasionally</th>
<th>Fairly often</th>
<th>Very often</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Comes up with inventive ideas</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Experiments with new concepts and procedures</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>Does problem solving in clever, creative ways</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Searches for innovations and potential improvements</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Exerts upward influence in the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Influences decisions made at higher levels</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>Persuasively sells new ideas to higher-ups</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Gets access to people at higher levels</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9.</td>
<td>Impact on people's feeling about their assignments</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10.</td>
<td>Impact on people's optimism for the future</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>11.</td>
<td>Capacity to get people to believe they can overcome anything</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>12.</td>
<td>Capacity to provide a source of inspiration for others</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>13.</td>
<td>Capacity to raise people to new levels of effort</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>14.</td>
<td>Capacity to excite people with a vision of what might be accomplished if they work together</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>15.</td>
<td>Maintains tight logistical control</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>16.</td>
<td>Monitors compliance with the rules</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>17.</td>
<td>Compares, records, and reports to detect discrepancies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>18.</td>
<td>Checks for errors and mistakes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
APPENDIX 7: Intrinsic motivation questionnaire

Please indicate to what extent each statement describes you in the workplace. Circle your answer.

<table>
<thead>
<tr>
<th></th>
<th>I enjoy tackling problems that are completely new to me.................................</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>I enjoy trying to solve complex problems.........................................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>The more difficult the problem, the more I enjoy trying to solve it........................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>I want my work to provide me with opportunities for increasing my knowledge and skills</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>Curiosity is the driving force behind much of what I do......................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6.</td>
<td>I want to find out how good I really can be at my work......................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>I prefer to figure things out for myself.........................................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8.</td>
<td>What matters most to me is enjoying what I do..................................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>9.</td>
<td>It is important for me to have an outlet for self-expression................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>10.</td>
<td>I prefer work I know I can do well over work that stretches my abilities...................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11.</td>
<td>No matter what the outcome of a project, I am satisfied if I feel I gained a new experience</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>12.</td>
<td>I'm more comfortable when I can set my own goals...............................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>13.</td>
<td>I enjoy doing work that is so absorbing that I forget about everything else..................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>14.</td>
<td>It is important for me to be able to do what I most enjoy....................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>15.</td>
<td>I enjoy relatively simple, straightforward tasks.................................................</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
APPENDIX 8: Interview schedule

<table>
<thead>
<tr>
<th>Interview no</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender : Male Female</td>
<td>Age :</td>
</tr>
<tr>
<td>Tenure :</td>
<td></td>
</tr>
<tr>
<td>Job Role :</td>
<td></td>
</tr>
<tr>
<td>Department : Bank : Private Government-owned</td>
<td></td>
</tr>
</tbody>
</table>

1. **Nature of Empowerment**
   a. What does the term empowerment mean to you?
   b. How is empowerment defined at your bank?
   c. Who is empowered (e.g. teams, individuals, management, employees, permanent staff, temporary staff, all staff)?
   d. What are the structures of empowerment in your bank?

2. **Origin**
   a. When was the policy of empowerment formulated in your bank?
   b. Which stakeholders, if any, were consulted during the empowerment design process?
   c. Have there been any revisions to the empowerment policy since it was implemented?
   d. What are the factors (if any) which influenced the bank’s decision to adopt an empowerment strategy?
   e. Did you receive any training or support before the empowerment exercise (e.g. training courses, discussions with senior management)?

3. **Implementation**
   a. How was empowerment communicated to your staff?
   b. How has your staff responded to empowerment? Have they accepted/rejected it?
   c. What is your expectation of the empowerment strategy?
   d. Do you see any improvement as a result of the empowerment strategy in your department?
   e. Are there any problems associated with the implementation of empowerment in your department?

4. **Limitation of Empowerment**
   a. Does empowerment extend the rights of employees to participate in decision making at any level? Are there any restrictions on the participation level?

5. **Future Development**
   a. What changes/improvements do you feel are needed to make empowerment more effective in the long term?
PARTICIPATION INFORMATION SHEET

Dear Sir/Madam,

Thank you for considering being involved in this research study. This information sheet provides more details of the research I am conducting and what participation in the research involves. Once you have read through the information sheet and have confirmed that you would like to participate, please sign the consent form attached and keep a copy for your reference. I will collect the signed consent form during the interview session.

Research Overview

I am a PhD Candidate at the Manchester Business School of The University of Manchester. As part of my degree course, I am undertaking a research study leading to a thesis. The study aims to develop our understanding of empowerment practices among managers in Malaysia and the role played by empowerment in employee motivation. The study also intends to investigate the leadership behaviour among managers and to examine whether leadership behaviour facilitates the empowerment effect on employee motivation.

This study is an exploration of your experiences, ideas and feelings about empowerment, motivation and leadership behaviour that you may have encountered in your workplace. This study is mainly concerned with your experiences and perceptions and is not an assessment of your skills or knowledge.

By participating in this research you and other participants will be contributing to the better understanding of empowerment practices among managers in Malaysia. You will also be expanding the researcher's knowledge of the implications of empowerment on employee motivation in organisations.

Participation

Participation in this study will involve one interview session that will last approximately one hour. The interview will be carried out in a private setting at a time and venue convenient to you and to your organisation. You will be asked a series of questions pertaining to empowerment and a tape recorder will be used during the interview. At any time during the interview, you may choose not to answer specific questions. You may also instruct the researcher to postpone or halt recording at any time during the interview session.

Participation in this study is voluntary. You are free to withdraw completely from the interview at any time without providing any reason.
Research Responses

Responses collected will form the basis of my research study and will be put into a written thesis. Results of the research may also be published in peer reviewed journals and conference presentations.

Confidentiality

The information from the taped interview will be transcribed at a later date and all tapes will be destroyed at the end of the research project. The transcribed information will be treated in the strictest confidential and will be anonymous. Data available will be aggregated and no individual data will be published. No other person, other than researcher and supervisors directly involved in the study, will have access to these resources.

Further Information

I am very happy to answer any questions you may have about participating in this study. I will also be available to respond to any questions throughout the research process. I can be contacted by post, telephone or email:

Azzarina Zakaria  
Manchester Business School  
The University of Manchester  
Booth Street West  
Manchester  
M15 6PB  
Phone: +60 13 3514568 or +44 7942277765  
Email: azzarina.zakaria@postgrad.mbs.ac.uk

Thank you once again for considering taking part in this study. Your time and willingness to participate is greatly appreciated.

Yours sincerely,

Azzarina Zakaria  
Researcher
APPENDIX 10: Consent form for interview

CONSENT FORM

Data gathered during this research will be treated as confidential and securely stored. Please answer each statement concerning the collection and use of the research data. Tick (✓) as appropriate.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have read and understood the information sheet.  
I have been given the opportunity to ask questions about the study.  
I agree to be interviewed by the researcher.  
I agree to allow the interview to be audio-taped.  
I understand that I am free to withdraw from the study at any time and am free to decline to answer particular questions.  
I understand that I may instruct the researcher to stop the recording at any time and that I may withdraw at any time from the study without disadvantage.  
I understand that, although the information gathered in this study will be published as explained, I will not be identified and individual information will remain confidential.  
I have been given the researcher’s name, postal address, contact number and email address if I require further information.  
I agree to participate in this study.  

Participant’s signature: ..........................................
Name: ............................................................................
Date:.............................................................................
APPENDIX 11: Sample email sent to interviewee

Dear [Name],

Firstly, I would like to thank you for being agreed to participate in the interview session. Attached is the list of interview questions (page 4 to page 5) for your information and reference. If you have any queries, you are most welcome to let me know. I shall be contacted through the email or handphone at 013-3514586.

Looking forward to meeting you this Friday.

Once again, thank you and wish you a pleasant day.

Best regards,

AZIZAH

PHD Candidate
Manchester Business School
The University of Manchester

Attachment: Click the filename to launch:

Meeting.doc
### APPENDIX 12: Final code template

<table>
<thead>
<tr>
<th>No.</th>
<th>Predetermined themes</th>
<th>Sub-theme first level</th>
<th>Sub-theme second level</th>
<th>Sub-theme third level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Empowerment definition</td>
<td>Authority</td>
<td>Power</td>
<td>NA</td>
<td>Participants’ understanding on the meaning of empowerment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competence</td>
<td>Subordinates’ characteristics</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trust</td>
<td>Relationships between superiors and subordinates</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Empowerment process</td>
<td>Initiation</td>
<td>Job factors</td>
<td>Job Ranking</td>
<td>Identification of the process of empowerment practiced by the banks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Job Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Individual factors</td>
<td>Competence</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implementation</td>
<td>Dissemination</td>
<td>Communication</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Training</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Devolution</td>
<td>Monetary</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-monetary</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sustaining</td>
<td>Review</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

Notes: NA (Not applicable)
APPENDIX 13: Scree plot for transformational measure