

THE ROLE OF EMPLOYEE EMPOWERMENT IN HIGH POWER-DISTANCE ORGANISATIONS

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Abstract: *An empowerment culture offers many benefits that are recognised by practitioners and scholars in the West. However, little is known about the effects of empowerment in high power-distance cultural context. The study explores the mediating and moderating effects of employee empowerment in the relationship between interpersonal trust toward their supervisors and job satisfaction. A cross-sectional survey designed to assess employee empowerment, interpersonal trust and job satisfaction was administered to a random sample of 200 employees in the banking industry at Kuala Lumpur city centre. A total of 178 valid responses were obtained and this represented a response rate of 89%. Mediation and moderation effects were tested using bootstrapping resampling procedure. Findings show that employee empowerment was a significant mediator of the relationship between interpersonal trust and job satisfaction ($PE = .059$, BC 95% CI of $.001$ to $.157$). However, the moderating effect of employee empowerment in that relationship was not supported. Managers should consider suggested strategies that can strengthen employees' perception of empowerment and trust toward supervisor. This study is based on employees from service organisations, thus future research would benefit from exploration in other sectors.*

Keywords: *Interpersonal trust, employee empowerment, job satisfaction, bootstrapping method*

Introduction

In today's corporate world, human capital has emerged as one significant firm asset. The ability to motivate and retain capable employees is important in organisation's innovation and quality improvement. One way for organisations to become more innovative is to exploit on their employees' ability to innovate. This is even more helpful when employees are given the opportunity to express their expertise through empowerment that will lead to an increase

in their job satisfaction, and thus, will become more committed towards their task. Employee empowerment is becoming more relevant in today's competitive environment where knowledge workers are more prevalent (Wimalasiri & Kouzmin, 2000) and organisations are moving towards decentralised or organic type organisational structures (Jarrar & Zairi, 2002). It is broadly accepted as an essential contributor to organisational success with many authors observing a direct relationship between the level of employee empowerment and employee performance (Kirkman & Rosen, 1999), employee job satisfaction and employee commitment (Ugboro & Obeng, 2000). According to Ugboro & Obeng (2000), individuals have been found to have an intrinsic need for empowerment as the capacity to influence and control their environment and strive for greater self-determination. Employees can help to improve business performance through their ability to generate ideas and use these as building blocks for new and better products, services and work processes. Therefore, under new work conditions, to create value, every organisation has to seek, generate, distribute and apply knowledge, a function that instead of being driven by capital, emerges from an environment in which the human spirit is stimulated (Amar, 2004). However, empowerment is contextual where it can be perceived differently across culture (Foster-Fishman et al., 1998; Robert et al., 2000; Fock et al., 2002).

Two cultural dimensions that are particularly critical in leading work organisations are power distance and collectivism (Hofstede, 1980; House et al, 1999). This study focuses primarily on the former. Power distance represents the degree to which members of a culture accept and expect that power in society is distributed unequally (Hofstede, 1980). Cultures low in power distance tends to minimise inequalities, prefer participative leadership and favour decentralised authority. On the other hand, cultures high in power distance will be characterised by greater acceptance of inequalities, more autocratic leadership and greater centralisation of authority. According to Hofstede (1983), Malaysia is among countries with a high power distance level. Thus, employees in high power distance organisations expect to be told what to do and unwilling to participate in decisions (Khatri, 2009). In these organisations, leaders are often viewed as effective if they are highly directive. To date, most empowerment studies are being carried in the Western organisations with limited study conducted among employees in Malaysia, especially in the service industry. It should be noted that Western countries have different degrees on Hofstede's dimension of power distance, which leads to different business culture and employee behaviours. Therefore, this research seeks to fill the gap by the examining effects of employee empowerment in the relationship between interpersonal trust in managers and employees' job satisfaction. This is important for service organisations because they reflect the quality of service performance, thus leads to customer satisfaction and loyalty.

Conceptual Background and Hypotheses

Job Satisfaction

Job satisfaction can be defined as the appraisal of one's job or job experience resulting in a pleasant and favorable emotional state (Kumari & Pandey, 2011). In the similar vein, Kumar (2011) identified job satisfaction as the overall measurement of working attitudes of happiness and pleasure in the job. Meanwhile, Patah et al. (2009) expressed job satisfaction as whether employees find their employment adequately satisfactory to continue in it, either permanently or until they have prepared for greater responsibilities. In general, job satisfaction can be predicted by employees' evaluation of the work environment,

organisational support levels and the employment situation (Patah et al., 2009). Employee's job satisfaction is also concerned with supervision quality, working environments, fundamental compensation, benefits, and company procedures (Patah et al., 2009).

The effects of employee satisfaction has on an organisation are numerous. A number of interests claimed that employees who experienced job satisfaction are more likely to stay on the job, more productive, more committed and experience less stress at work (Brewer, 1996; Doran et al., 2004; Leat & El-Kot, 2009; Okpara, 2004). Furthermore, satisfied employees are more innovative in continuous quality improvement and participating more in decision-making in organisations (Rad & Yarmohammadian, 2006). Crossman and Abou-Zaki (2003) claimed that job satisfaction is a measure for assessing the health of an organisation which would affect the service level offered by the employees. Studies show that businesses that excel in employee satisfaction issues reduce turnover by 50 percent from the norm, increase customer satisfaction to an average of 95 percent, lower labor cost by 12 percent and lift pretax margins by an average of 4 percent (Carpitella, 2003). In fact, customer loyalty is a direct effect of customer satisfaction (Kumar, Batista & Maull, 2011). Customer satisfaction is greatly influenced by customer insights of the value of services they receive. Value is created by satisfied, loyal and productive employees. Employees that feel a sense of teamwork and common purpose with strong commitment to communicate are willing to deliver the results that customer expect (Halvorsen, 2005).

Employee Empowerment

Employee empowerment is the understanding of reassuring and permitting employees to embark on proposals to advance operations, diminish costs, and develop the product and customer service quality (Raquib, Anantharaman, Eze & Murad, 2010). It is a complex management tool, which has been proven that when applied properly, can be effective in improving performance, productivity and job satisfaction. The increment in interest may be related, toward the findings that suggest that empowering subordinates may serve objectives linked to managerial and organisational effectiveness (Moye & Henkin, 2006). Employee empowerment has broadly been accepted as an essential contributor to organisational success with many authors observing a direct relationship between the level of employee empowerment and employee performance (Kirkman & Rosen, 1999), employee job satisfaction (Ugboro & Obeng, 2000; Patah et al., 2009), and employee commitment (Ugboro & Obeng, 2000). According to Ugboro and Obeng (2000), individuals have been found to have an intrinsic need for empowerment as the capacity to influence and control their environment and strive for greater self-determination. This is particularly critical in service organisation "in a service environment an employee's ability to influence his or her own work duties is not separate from the ability to influence organisational goals because a significant proportion of organisational outcomes in a service context rely on employee behaviours" (Fulford and Enz, 1995).

Deci, Connell and Ryan (1989) argued that managers as leaders play an essential role in providing subordinates with empowering work experiences. They also suggested that "the interpersonal work climate created by managers for their subordinates contributes directly to subordinates' feelings of self-worth and sense of self-determination". Empowerment becomes "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" (Moye & Henkin, 2006). Generally, empowered employees are more motivated as compared

to those who just follow the given lines (Naeem & Saif, 2010). Employee empowerment creates a sense of belongingness and ownership towards the parent organisation. In addition, they feel more confident and tend to give their best to their employer, which leads to improvement in service quality (Naeem & Saif, 2010). Wood (2008) studied the relationship between leadership styles and empowerment on job satisfaction. The researcher concluded that various leadership styles and employee empowerment may be used as an effective strategy to create job satisfaction in employees.

Interpersonal Trust

In workplace, a dominant form of relationship is that between a subordinate and a supervisor. Trust is critical in hierarchical organisational relationships because of the dependency and liability of subordinates to their supervisor. Trust in one's immediate supervisor is described as interpersonal trust, which stems from day-to-day interactions between the trustor and trustee (Costigan, Ilter & Berman, 1998). Leat and El-Kot (2009) defined trust in interpersonal relations implies a willingness to be vulnerable, to place oneself at risk, and this is based in principles that the other party is competent, concerned and reliable. In the setting of Social Learning Theory, interpersonal trust represents a generalized expectancy that the word, oral or written statement of another individual or group can be relied on (Rotter, 1980). Bjilmsa and Koopman (2003) emphasized interpersonal trust as a belief in the probability that another's actions will be beneficial rather than harmful to one. Thus, this form of trust appears from employee's perceptions concerning a supervisor's benevolence, capability, honesty, openness to share information, and consistency of behaviour (Schindler & Thomas, 1993).

Interpersonal trust is associated with various organisational variables involving quality of communication, performance, problem solving, individual risk taking, and cooperation (Moye & Henkin, 2006). Connell, Ferres and Travaglione (2003) found positive relationships between trust and organisational success (individual well-being, job satisfaction and commitment). Leat and El-Kot (2009) indicated that employees trust in their manager will lead to higher levels of job satisfaction and low job stress. In addition, trust has been shown to increase organisational citizenship behaviours, increase upward communication, decreased turnover (Connell, Ferres & Travaglione, 2003; Dirks & Ferrin, 2001), increase job satisfaction and lower job stress (Leat & El-Kot, 2009)

Interpersonal trust acts as a substitute of control because it reduces transaction costs (Bijlsma & Koopman, 2003). Currell and Judge (1995) quoted that "the higher the level of interpersonal trust in a relationship, the lower the costs of monitoring and other control mechanisms will be". It is also found trust to be significantly related to organisational commitment among employees across a wide variety of different industries and job levels (Connell et al., 2003; Dirks & Ferrin, 2002). A trusting work environment increases employee morale that can lead to a smoother operation and increased productivity (Zeffane, 2010). It enables the open exchange of ideas and impacts of the quality and quantity of information exchanged (Bartolme, 1989). According to Bartolme (1989), trust strengthens the effectiveness of the decision-making processes and employee willingness to collaborate that will lead to employee strong capacity to handle crises. Besides that, trust reduces employees intention to leave their current employer, thereby reducing an organisation cost of employment and training (Wong, Ngo & Wong, 2002). Bjilmsa and Koopman (2003) suggested that trust is a key factor in terms of how an organisation copes with threats to its viability, or even to its survival.

Hypotheses Development

Social exchange theory (Blau, 1964) provides rationale in investigating the relationship between trust and job satisfaction when empowerment is mediator. The theory postulates that employees will reciprocate with more positive job attitudes and behaviours when they have high-quality exchange relationship with employers. Thus, if employees perceive the supervisor as trustworthy, it is likely that they will reciprocate trust by offering positive attitudinal currencies such as satisfaction. Indeed, trust is found to be a strong predictor of individual behaviour and is related to high job satisfaction, low turnover intention, the development of competitive performance at various organisational levels, and stability when confronted with uncertainty (Alsaudi, 2005; Settoon et al., 1996). In the similar vein, Dirks and Skarlicki (2004) stated that trust in leaders has been linked to positive job attitudes, organisational justice, psychological contracts, and effectiveness in terms of communication, organisational relationships, and also conflict management (Dirks & Ferrin, 2002; Dirks & Skarlicki, 2004; Wat & Shaffer, 2005). On the whole, there is enough empirical evidence to show the positive effect of trust of various job behaviours and therefore, we hypothesise that

H1. Interpersonal trust is positively related to job satisfaction.

Apart from building high-quality working relationships, employees' perception of their ability to contribute positively to the organisation is equally critical, especially now that most organisations have been under increased pressure to meet the demands of customers and competitive environment (Hashmi & Naqvi, 2012). Such pressures have stimulated a need for employees who are eager to take initiative, embrace risk, stimulate innovation and cope with high uncertainty (Spreitzer, 1995). In relation to this, employee empowerment has been recommended in literature as it has broadly been accepted as an essential contributor to organisational success. Many authors observe a direct relationship between employee empowerment and employee performance (Kirkman & Rosen, 1999; Morgeson, Delaney-Klinger & Hemingway, 2005) and job satisfaction (Ugboro and Obeng, 2000; Patah et al., 2009). Increased autonomy will permit employees greater flexibility on how they define their role because they will have greater judgment in deciding how to perform the work. It is also found that enhanced autonomy not only increased ownership of problems but also enable employees to recognise a wider range of skills and knowledge as important for their roles. Increased control in employees work environment motivates them to try out and master new tasks, which is consistent with work design research that has demonstrated the motivational benefits of work autonomy (Morgeson et al., 2005).

H2. Employee empowerment is positively related to job satisfaction.

Nonetheless, although employee empowerment is encouraged in organisations, it is criticised for increasing employees' workload. This is particularly valid in high power distance culture such as Malaysia where empowerment might not be well accepted and could be perceived as a source of stress. Hence, having employees willing to accept empowerment is one of the conditions for its successful implementation (Hui, Au and Fock, 2004). Trust is an essential factor in the acceptance of duties and information from supervisors. If an

employee feels that his/her supervisor may give incorrect information or a task that will not benefit the company, the employee may take extra precautions and/or be reluctant to perform when working and lead to slower task completion (Elmuti, 1997). In this scenario, the lack of trust in supervisor becomes an impediment to employee productivity, and consequentially results in losses for the company in the form of wasted employee time. Coulter and Coulter (2002) revealed that higher level of trust leads to a higher level of co-operation, and lower levels of perceived risk and uncertainty. Similar finding was reported by Shelton (2002) that if an organisation attempts to practice employee empowerment, it has to focus on the level of employee trust in the supervisor as a mean to improve implementation success. As such, management should ensure that employee empowerment is seen as an opportunity rather than as a strategy to increase the workload of employees (Ongori & Shunda, 2008). In other words, building trust among employees can increase empowerment. Therefore, empowerment is considered as a mediator where a higher level of interpersonal trust will lead to higher level of employee empowerment which in turn will have a positive influence on job satisfaction.

Several researchers have positioned this exchange relationship as a mediator. Khany and Tazik (2015) found that trust was indirectly related to job satisfaction through psychological empowerment while Lee and Kim (2008) concluded that empowerment has a mediating effect between transformational leadership and organisational commitment. In addition, psychological empowerment also plays intermediary role in the relationship between psychological climate and job satisfaction (Carless, 2004) as well as the relationship between person-organisation fit and innovative work behaviour (Afsar & Badir, 2016). These studies provide empirical understanding on the role of empowerment in mediating the effect of social-exchange relations on employee work outcomes.

Apart from being a mediator, it is believed that empowerment could play the function of a moderator, i.e. the relationship between interpersonal trust toward their supervisors and job satisfaction is dependent on differences among employees. This means that empowerment influence the direction of the association between trust and job satisfaction in such a way that the positive relationship between interpersonal trust toward their supervisor and job satisfaction is stronger for employees who perceive higher levels of empowerment than those who perceive otherwise. In fact, many studies have observed that empowerment moderates social exchange at the workplace and positive job outcomes. For instance, Ugwu, Oniyishi and Rodriguez-Sanchez (2014) found that psychological empowerment moderated the relationship between organisational trust and employee work engagement. Similarly, empowering leadership has a stronger positive effect on employee creativity when an employee's psychological empowerment is high than when such empowerment level is low (Ozaralli, 2015). In another study, Chan and Yeung (2015) concluded that the positive impact of leader-member exchange (LMX) on employee voice behaviour was enhanced by the authority conferred by empowerment.

Based on these studies, we postulate that employee empowerment could either mediates or moderate the effects of interpersonal trust in managers on employees' job satisfaction. We tested our hypotheses using bootstrapping assuming that the relationship between interpersonal trust and job satisfaction is mediated or moderated by employee empowerment.

H3. Employee empowerment mediates the effect of interpersonal trust on job satisfaction.

H4. Employee empowerment will moderate the positive relationship between interpersonal trust and job satisfaction, such that the positive relationship is stronger when empowerment is high.

Based on the research presented in the literature review, a theoretical model is developed. The model postulates the relationship between interpersonal trust and job satisfaction together with the moderating and/or moderating effects employee empowerment (Figure 1).

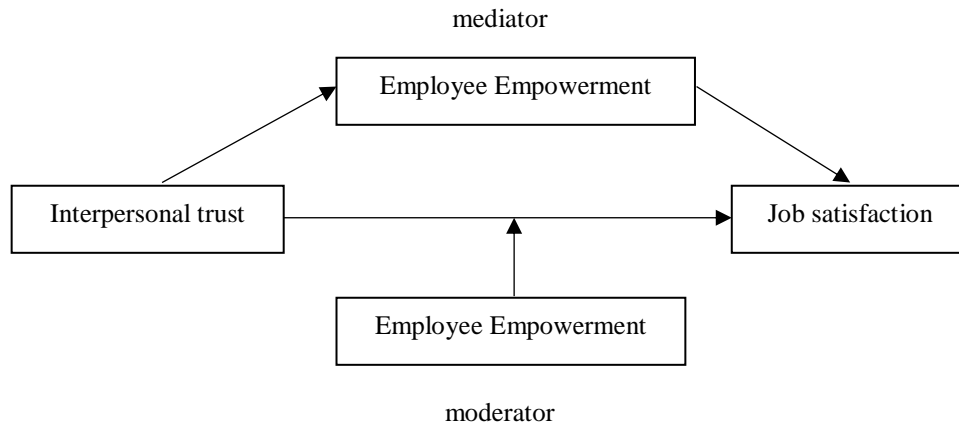


Figure 1: Theoretical Framework

Method

Sample and Procedure

Survey data was collected from employees in the banking industry at Kuala Lumpur city center. The survey was self-administered using structured questionnaire to five randomly selected bank branches to eliminate bias by giving all units an equal chance to be chosen. Bootstrapping method does not mandate normality of the sampling distribution of the indirect effect and is not based on large-sample theory (Preacher & Hayes, 2008). Thus, it has been decided that a total of 200 questionnaires were distributed to all employees with 40 questionnaires per branch. Respondents were told to complete the questionnaires anonymously and assured that their answers would be treated confidentially. After two weeks, 178 valid responses were obtained and this represented a response rate of 89%.

Measures

Employee empowerment, interpersonal trust and job satisfaction were measured using the Likert-scale, ranging from 1 (Strong Disagree) – 5 (Strongly Agree). Job satisfaction was measured using five items adopted from Abdullah, Karim, Patah, Zahari, Nair and Jusoff (2009). All the items in the questionnaire involve statements rated for agreement or disagreement along the 5-point Likert-type scale (1 = Strongly Disagree – 5 = Strongly Agree). The items in this scale include: “*I feel I am contributing to the company’s mission*” (JS1), “*I have the opportunities to learn and grow*” (JS2), “*I feel committed to work toward shared goals*: (JS3), “*This company gives enough recognition for work that is done well*:

(JS4) and “*I feel I am valued in this company*” (JS5). The Cronbach’s alpha coefficients was .711 with higher scores indicated higher levels of job satisfaction.

Interpersonal trust was operationalised using four items adopted from Nyhan (2000). The items include “*I have confidence that my supervisor is technically competent at the critical elements of his/her job*” (IT1), “*When my supervisor tells me something, I can rely on what s/he tells me*” (IT2), “*I feel that I can tell my supervisor anything about my job*” (IT3) and “*My supervisor will back me up in a pinch*” (IT4). Higher scores higher levels of interpersonal trust towards the manager. The Cronbach’s alpha for the scale was .733.

Employee empowerment was measured by the scale adopted from Voisard (2009). It comprised of five items, including “*I am allowed to make decisions necessary for effectively accomplishing my routine day-to-day duties and responsibilities*” (EE1), “*I am allowed to make decisions when resolving non-routine situations or issues*” (EE2), “*I receive encouragement to come up with and implement new and better ways for improving the organisation*: (EE3), “*I have the opportunity to influence the way my department’s goals are established*” (EE4) and “*I have been invited to participate in teams/committees that influence decisions for my department or the company as a whole*” (EE5). The Cronbach’s alpha for the scale was .692.

Results

Demographics and descriptive statistics

Most of respondents were female (n = 86, 48.3%). Majority of the respondents were between 21 to 30 years old (n = 91, 51.1%) followed by those between 31 to 40 years old (n = 73, 41%). In terms of ethnicity, Chinese make up the majority of them (n = 100, 56.2%). Diploma education was the most common (n = 79, 44.4%) followed by degree holders (n = 75, 42.1%). Over half of the respondents (n = 91, 51.1%) had income ranging from RM 2001 to RM 3000 and 27% (n = 48) earn between RM 3001 to RM 4000. Approximately 30% (n = 53) and 25% (n = 44) of the respondents had worked in the current organisation for 12-36 months and followed by 37-60 months, respectively. The demographics of the respondents are presented in Table 1.

Table 1: Demographic information of the sample (n = 178)

Characteristics	Frequency	Percent (%)
Gender:		
Male	92	51.7
Female	86	48.3
Age (year):		
21 to 30	91	51.1
31 to 40	73	41
41 to 50	13	7.3
Above 50	1	0.6
Ethnicity:		
Malay	40	22.5
Chinese	100	56.2
Indian	36	20.2
Others	2	1.1
Education Level:		
Secondary School (SPM and STPM)	19	10.7
Diploma	79	44.4
Bachelor Degree	75	42.1
Postgraduate Degree (Master and PhD)	5	2.8
Income Level:		
RM2000 or below	17	9.6
RM2001 - RM3000	91	51.1
RM3001 - RM4000	48	27
RM4001 - RM5000	16	9
More than RM5000	6	3.4
Length of service (month)		
Less than 12	27	15.2
12-36	53	29.8
37- 60	44	24.7
61-84	33	18.5
85-106	10	5.6
More than 107	11	6.2

Correlation Analyses

Table 2 shows that the interrelationships between all major three variables were significant. Employee empowerment had a significant correlation with job satisfaction ($r = .373, p < .01$). Similarly, interpersonal trust also had a significant correlation with job satisfaction ($r = .385, p < .01$). These indicated that higher levels of employee empowerment and interpersonal trust were associated with higher levels of job satisfaction. In addition, employee empowerment was associated with interpersonal trust ($r = .148, p < .05$), indicating that higher levels of employee empowerment were related to higher levels of interpersonal trust.

Table 2: Correlation matrix for all variables

Variables	Mean	SD	1	2	3
1. Employee Empowerment			-		
2. Interpersonal Trust	3.70		0.148*	-	
3. Job Satisfaction	3.56		0.373**	0.385**	-

Note: * $p < 0.05$ (2-tailed); ** $p < 0.01$ (2-tailed); $n = 178$.

Mediating effect of employee empowerment

Mediation analysis was tested using bootstrapping resampling procedure. Specifically, analysis was carried out using the PROCESS macro for SPSS Model 4 (Hayes, 2012). Bootstrapping technique does not require normality of the sampling distribution of the indirect effect (Preacher and Hayes, 2008). Furthermore, in bootstrapping the existence of an indirect effect is inferred based on an estimate of the effect itself rather than from a set of test on their component paths (as in causal step methods). Therefore, a statistically significant indirect effect (ab) is the only condition for mediation to occur (Hayes, 2009; Zhao, Lynch, & Chen, 2010) and this was adopted as a guiding rule for the determination of mediation effect in this study. The use of the terms *full* and *partial* mediation was avoided as they gave a false impression on the strength of the indirect effect where the later might be regarded as less impressive (Rucker, Preacher, Tormala, and Petty, 2011; Rungtusanatham, Miller, and Boyer, 2014). Such method of testing is higher in statistical power i.e. more likely to detect the indirect effect of the mediator variable while maintaining reasonable control over Type 1 error due to the less number of tests involved (Hayes, 2009; MacKinnon, Cheong, & Pirlott, 2012).

As per Hayes (2009), 5000 bootstrap samples were generated to estimate the 95% confidence intervals for the indirect effects. Indirect effects are considered significant at $p < .05$ if zero is not included in the 95% confidence interval (CI) (Cheung and Lau, 2008). A statistically significant indirect effect (ab) is the only condition for mediation to occur (Hayes, 2009; Zhao, et al., 2010). Table 3 displays the mediation results, showing the unstandardised paths linking the variables. It can be seen that there was a significant association between interpersonal trust and job satisfaction without the mediators ($PE = .475$, BC 95% CI of .305 to .644). With zero outside the interval, it is concluded that the indirect effect of employee empowerment were indeed significantly different from zero at $p < .05$ and thus, is the mediator for the effect of interpersonal trust on job satisfaction. Based on Cohen's (1988) guidelines, the Kappa-squared mediation effect size measure of .051 was between small and medium.

Table 3: Mediation of the Effect of Interpersonal Trust on Job Satisfaction through Employee Empowerment

	Point Estimate	SE	BC 95% CI	
			Lower Limit	Upper Limit
<i>Total Effect</i>				
Interpersonal trust → Job satisfaction	.475	.086	.305	.644
<i>Indirect Effect</i>				
Employee empowerment	.059	.038	.001	.157

Note: BC = Bias-corrected. Bolded confidence intervals (CIs) do not include zero, suggesting significant indirect effect.

Moderating effect of employee empowerment

Similar to mediation analysis, moderating effect was tested using bootstrapping resampling procedure. Instead of Model 4, the analysis was carried out using the PROCESS macro for SPSS Model 1 (Hayes, 2012). Table 4 displays the results of moderating model. The main effect of employee empowerment (PE = .297, BC 95% CI of .141 to .453) and interpersonal trust (PE = .413, BC 95% CI of .199 to .627) were significant. However, the effect of interaction term on job satisfaction was not significant (PE = -.004, BC 95% CI of -.046 to .038). Thus, the role of employee empowerment as a moderator between interpersonal trust and job satisfaction was not verified.

Table 4: Moderation of the Effect of Interpersonal Trust on Job Satisfaction through Employee Empowerment

	Point Estimate	SE	BC 95% CI	
			Lower Limit	Upper Limit
Intercept	17.802	.197	17.413	18.191
Employee empowerment	.297	.079	.141	.453
Interpersonal trust	.413	.109	.199	.627
Interaction	-.004	.021	-.046	.038

Note: BC = Bias-corrected. Bolded confidence intervals (CIs) do not include zero, suggesting significant indirect effect. R sq = .2506 F = 12.2965, p < .001

Discussion and Implications

The results showed that employees with high levels of interpersonal trust toward supervisor tend to feel higher job satisfaction. Employees' interpersonal trust in managers creates a sense of competency and reliability towards their employers that may lead to an increase in job satisfaction. Staples (2001) indicated that employees trust in their manager was associated with both higher levels of job satisfaction and low job stress. Similarly, Cook and Wall (1980) also found positive relationships between interpersonal trust and overall job satisfaction and intrinsic motivation in employees. In addition, employee empowerment had positive and significant relationship with job satisfaction. According to Naeem and Saif (2010), employee empowerment creates a sense of belongingness and ownership towards the parent organisation. Thus, this indicates that higher employee empowerment will lead to higher job satisfaction in employees. Employee empowerment which involves employee participation, when applied properly, can be effective in improving performance, productivity and job satisfaction (Ugboro & Obeng, 2000). Correlation analysis indicated that interpersonal trust was positively associated with employee empowerment, consistent with previous studies (Moye & Henkin, 2006; Moye, Henkin & Egle, 2005; Sallee & Flaherty, 2003).

In the proposed models, employee empowerment mediated the relationship between interpersonal trust and job satisfaction. However, employee empowerment was not a moderator in the relationship. Employee empowerment played an important role in the relationship between interpersonal trust in the supervisor and job satisfaction. It was possible

that employees who have interpersonal trust in superior tend to better appreciate authority and responsibilities given to them. By allowing employees a level of control and authority within an organisation improves individual motivation and satisfaction toward the job. The results suggested that strategies to increase interpersonal trust in superior and employee empowerment could increase job satisfaction. In high power distance culture such as Malaysia, employees are more willing to accept unequal distributions of power where superiors are expected to control information and make decisions. In this situation, employees often hesitate to make decision without consulting superiors. However, these employees tend to show more favourable work attitudes and behaviour if they perceive favorable social tie with superiors (Wong & Huang, 2003). This is the foundation for implementing empowerment in high power-distance organisation. Hence, managers can engage in behaviours that promote trust and demonstrate concern, integrity and willingness to share control. Employees should be provided with opportunities to involve in more decisions that impact their work. Such efforts tend to strengthen feelings of autonomy and control. Open communication is another method that could enhance the perception of trust toward superior. Employees tend to view superiors as trustworthy when their communication is straightforward, honest and accurate. When there is lack of trust, subordinates may reluctant to carry out directives from their superiors out of fear that the information given to them is unreliable. In order to optimize the efficiency of the delegation of duties, it is important for supervisors to gain the trust of their employees.

Limitations and Directions for Future Research

There were several limitations faced by the researchers during the process of the research. One of the limitations is that this study investigated employees' job satisfaction in the banking industry in Kuala Lumpur city center. Therefore, the findings of the present study cannot be inferred to companies in other industry. However, this study can be used as a guide for future research that investigates similar area as the present study. Besides that, the limitation in data collection used in this study could not be described further because the responses received are limited to the Likert Scale used in the questionnaire. Open ended question is not provided for respondents to answer further. Thus, additional information is not likely to be obtained to enhance the generated results. Furthermore, this study only considered two factors which would affect job satisfaction. It is likely that other factors such as manager's leadership style, organisational justice and personality traits may further explain empowerment's impact employees' job satisfaction or other work outcomes. In addition, researchers could use different types of empowerment such as structural and psychological empowerment as well as their dimensions to allow different insights particularly in high power distance cultural context. Another potential research avenue to extend these findings is to compare employees working in local and Malaysia-based foreign companies to verify if value perception of empowerment and trust is similar for both groups.

Conclusion

This research focuses on understanding the role played by empowerment on the relationship between interpersonal trust toward superiors and job satisfaction. A research framework stating the mediating and moderating effects of empowerment was established using the social exchange theory. This study provides empirical evidence that cultural values should not be ignored in the studies in employee's behaviours. In a high power distance

culture such as Malaysia, empowered environment is conducive for employees' job satisfaction but need to be preceded with building trust toward superiors. Empowerment should be a major human resource objective as organisations must rely on committed and talented employees to offer high quality service to customers.

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