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Employee empowerment and job satisfaction in urban Malaysia

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Connecting the dots with context and organizational change management

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Abstract

Purpose – The topic of employee empowerment and job satisfaction, and its implications for organizational change management, is underexplored in developing countries. Consequently, the purpose of this paper is to investigate the relationship between the two variables in the context of urban Malaysia as an emerging market. Differences in empowerment and job satisfaction in relation to organizational and socio-cultural environments were also assessed. The findings are then discussed in terms of their implications for organizational change management in Malaysia and other emerging countries.

Design/methodology/approach – Using survey data gathered from 125 local employees working in the capital city of Kuala Lumpur, the effect of empowerment on job satisfaction was tested using correlation and regression analyses. ANOVA tests were used to determine differences in empowerment and satisfaction among sub-groups divided according to four factors in the organizational and socio-cultural environments, namely, form of ownership, job sector, type of industry and organizational hierarchy.

Findings – The results demonstrate that employee empowerment has a strong positive effect on job satisfaction. However, significant differences in employee empowerment and job satisfaction between higher and lower levels of the organizational hierarchy raise concerns about organizational change diffusion and the sustainability of strategic changes.

Research limitations/implications – Empirical evidences are provided for the generalizability of the theoretical link between employee empowerment and job satisfaction in the urban Malaysian context. Nevertheless, the findings have highlighted the need to further examine specific issues faced by employees in lower levels of the organizational hierarchy which affect their rates of empowerment and satisfaction in a rapidly changing environment.

Practical implications – Implications on power relations between managers and their subordinates are discussed, as well as on succession and goal-sharing during periods of intense organizational change.

Originality/value – By demonstrating the influence of organizational hierarchy on employee empowerment and job satisfaction in a non-western setting, this study has contributed new insights on the role of socio-culture and power relations in organizational change management.

Keywords Job satisfaction, Power distance, Malaysia, Employee empowerment, Organizational hierarchy

Paper type Research paper

1. Introduction

One of the most significant factors known to affect organizational performance is employees' level of job satisfaction (Jiang *et al.*, 2011; Paille, 2011; Zhang and Bartol, 2010). Extant literature suggests that job satisfaction refers to employees' sense of fulfillment and enjoyment at the workplace, and determines their commitment to, and concern for, the organization (Hosie *et al.*, 2013; Olcer, 2015; Top *et al.*, 2015). Scholars have argued that job satisfaction is not only due to material factors, such as reward and promotion, but also reflects the autonomy enjoyed by employees in decision-making and implementation processes as a



result of empowerment. An empowering organization emphasizes information-sharing, discretion and individual participation, thus enhancing employees' feeling of self-confidence (Joo and Shim, 2010; Spreitzer *et al.*, 1997). Li *et al.* (2016) proposed that empowerment improves employees' feeling of thriving at work, which can also increase job satisfaction. This explains why the relationship between employee empowerment and job satisfaction has gained much research interest, especially over the past two decades (Carless 2004; Olcer, 2015; Pelit *et al.*, 2011; Seibert *et al.*, 2004).

In recent times, a key issue in organizational change management is how leadership and power relations can induce favorable employee responses in periods of rapid change and uncertainty (Bish *et al.*, 2015). Based on the link between empowerment and job satisfaction, it would appear that leaders who empower their subordinates stand a better chance of gaining cooperation from their subordinates when the organization is experiencing tough changes. Yet because organizations operate in a bigger social sphere comprising various political, cultural and economic forces, the interpretation of the effect of empowerment on job satisfaction must be done in relation to the broader social and organizational contexts. This is especially urgent in transition and developing economies (Chiaburu, 2006), since very little is yet known about their social and organizational dynamics for change and innovation. Additionally, specific factors in the work environment such as management support and quality of communication affect empowerment and job satisfaction (Baird and Wang, 2010; Chiang and Hsieh, 2012), and this reinforces the importance of context when examining the relationship between the two variables.

As a fast developing country, Malaysia makes a timely study of the above relationship between employee empowerment and job satisfaction. Due to high rates of employee turnover and brain drain (ESI International Asia Pacific, 2014; Wahab, 2014), this topic is of particular significance for Malaysian employers, who now face ever-increasing challenges in the areas of training, succession planning and sustainable organizational change (Beh, 2014). Especially in the cities, where there is stiff competition for skilled workforce between public and private sectors, the ability to manage and retain talent has become crucial for Malaysia's urban organizations.

From a socio-cultural perspective, Malaysia lists as one of the many Asian countries with a high power distance index. High power distance societies have tremendous respect for their elders and community leaders (Abdullah *et al.*, 2001; Abdullah, 2005), while having a tendency to be hierarchical, and thus more centralized (Hofstede, 1991; Kanter, 1993; Khatri, 2009). As a result, according to Humborstad *et al.* (2008), managers in high power distance societies are usually less empowering than those in low power distance societies. While this situation may be considered acceptable traditionally, it is gradually raising concern in fast developing urban environments, where socio-cultural values are changing as a result of modern education, external socialization, etc. (Ahmad *et al.*, 2009; Norazizan *et al.*, 2002). Thus, Malaysia's conventional value of high power distance indicates that power relations between higher and lower levels of the organizational hierarchy is also a key factor which may affect empowerment and job satisfaction among urban employees.

In light of the above, this study was designed to answer the following research questions, particularly from the perspective of urban Malaysia as an emerging market:

- RQ1. Is employee empowerment a determinant of job satisfaction for Malaysia's urban workers?
- RQ2. Are there significant differences in employee empowerment and job satisfaction among various segments of urban workers in Malaysia, related to their organizational and socio-cultural contexts?
- RQ3. What are the implications of the study for organizational change management in urban Malaysia and other emerging markets?

Based on survey data gathered from a sample of Malaysian employees working in the capital city of Kuala Lumpur, the effect of employee empowerment on job satisfaction was tested using correlation and regression analyses. ANOVA tests were then conducted to determine differences among sub-groups divided according to four selected dimensions of their organizational and socio-cultural environments, namely, form of ownership, job sector, type of industry, and organizational hierarchy. Findings of the study are expected to have theoretical and practical implications for Malaysia and other developing countries concerned with sustainable organizational change.

2. Employee empowerment and job satisfaction

Employee empowerment can be considered as enabling relations of power through a process that fosters employees' sense of control and competence (Ashcraft and Kedrowicz, 2002; Conger and Kanungo, 1988; Spreitzer *et al.*, 1997). When employees are empowered, they often become self-motivated and committed individuals who will expend maximum effort in their work and generate better performance (Ke and Zhang, 2010; Thomas and Velthouse, 1990). This phenomenon is evident in the study by Li *et al.* (2016), which demonstrated that empowering leadership increases employees' sense of thriving at work, thus inducing behaviors which support organizational change. Other studies (Bish *et al.*, 2015; Miller, 2002) suggest that in periods of intense change and uncertainty, an empowering leadership drives change diffusion throughout all levels of the organization.

Two main types of employee empowerment are discussed in the literature, namely, structural empowerment and psychological empowerment. While structural empowerment refers to the organizational mechanisms which enable delegation of responsibilities and decision-making powers from management to employees (Kanter, 1993), psychological empowerment describes the increase in task motivation or enhancement of feelings of self-efficacy by fulfilling employee's need for self-determination (Thomas and Velthouse, 1990; Liden *et al.*, 2000; Zhang and Bartol, 2010). From a structural point of view, empowerment eliminates barriers between managers and subordinates, resulting in better communication and information-sharing which allows employees to participate in decision-making processes (Baird and Wang, 2010; Haas, 2010). On the other hand, psychological empowerment builds a sense of belonging which typically makes employees more engaged with their workplace (Fock *et al.*, 2011).

Job satisfaction refers to employees' sense of fulfillment and enjoyment at the workplace, and determines their commitment to and concern for the organization (Hosie *et al.*, 2013; Olcer, 2015; Top *et al.*, 2015). Scholars have argued that job satisfaction is not only due to material factors, such as reward and promotion, but also reflects the autonomy enjoyed by employees in decision-making and implementation processes as a result of empowerment. With a combination of structural and psychological empowerment, employees typically feel connected with the organization and this is expected to improve their insight of how well their job provides the things that are important to them (Aziri, 2011; George, 2008; Hackman and Oldham, 1976; Spector, 2008).

An empowering organization emphasizes information-sharing, discretion and individual participation, thus enhancing employees' feeling of self-confidence and well-being (Joo and Shim, 2010; Spreitzer *et al.*, 1997). Fock *et al.* (2011) suggested that empowerment increases job satisfaction by encouraging employees to engage with their managers and peers. Moreover, Reeves (2010) proposed that employee empowerment creates a strong interpersonal relationship between employers and employees, whereby a positive impact on job satisfaction can be achieved through increased communication, open-door policies and honest feedback. In times of change, employees are pushed to adapt quickly and therefore undergo huge emotional upheavals which can lower their job satisfaction and commitment to the organization (Kiefer, 2005; Maheshwari and Vohra, 2015). However, according to Miller (2002),

an empowering leadership can help improve the situation by engaging with employees and giving them a sense of control during these periods of uncertainty.

A direct positive association between employee empowerment and job satisfaction has been demonstrated in a number of studies in developed countries (Spreitzer, 1995; Bordin *et al.*, 2007; Laschinger *et al.*, 2001). One in particular, by Seibert *et al.* (2004), examined a sample of Fortune 100 employees in the USA and found strong empirical evidence of a direct positive relationship between empowerment and job satisfaction. By contrast, this relationship is underexplored in developing countries. Given that emerging countries like Malaysia are facing massive challenges in employee retention (ESI International Asia Pacific, 2014) the effect of empowerment on job satisfaction is a timely subject of investigation in these environments. Empowerment and its impact on job satisfaction have become a crucial issue for Malaysian organizations, especially in urban areas, where economic activities are concentrated and changes occur rapidly in the work environment. This relationship is captured by the following hypothesis:

- H1.* Empowerment has a significant positive relationship with job satisfaction among Malaysia's urban employees.

3. Organizational and socio-cultural contexts

Trends in employee turnover and brain drain among Malaysian professionals (Malaysia Economic Monitor, 2011; Wahab, 2014) suggest that improving job satisfaction is a critical problem for employers in this country. Additionally, a number of related studies, for example by Beh (2014), Ismail *et al.* (2014), and Santhapparaj and Syed (2005), indicate that there are gaps in workplace practices, such as recruitment, training and compensation, between the public and private sectors and between different industries, which may contribute to unequal levels of empowerment and job satisfaction among diverse groups of workers. Furthermore, with a foreign direct investment of approximately US\$8 billion flowing into the country (Department of Statistics Malaysia, 2016), there is intense competition between local and foreign-owned enterprises for skilled human capital.

Besides organizational factors, culture too has influence over workplace practices. On the topic of decision-making, scholars (Humborstad *et al.*, 2008; Kanter, 1993; Khatri, 2009; Sweetman, 2012) have found that the cultural dimension of power distance is particularly apt in describing how power relations affect decision-making processes. Hofstede (1991, 2001) defined power distance as the extent to which power is distributed in organizations and societies and to which people view unequal status differences as legitimate. High power distance societies have tremendous respect for their elders and community leaders; at the same time, their organizations tend to be hierarchical, and thus more centralized (Hofstede, 1991; Kanter, 1993). Humborstad *et al.* (2008) observed that, due to this emphasis on hierarchy, strict separation of powers and centralization, managers in high power distance societies are less empowering than those in low power distance societies.

Malaysia lists as one of the many Asian countries with a high power distance index, which can be traced back to its history as a British colony from the eighteenth to twentieth century and pre-independence feudal system (Sweetman, 2012). In a study of Malaysian, Anglo and Australian managers, Abdullah (2005) demonstrated that the Malaysian group's emphasis on the importance of rank, status and respect for authority is significantly higher than their non-Malaysian counterparts'. Khatri (2009) concluded that in high power distance organizations, decisions are made by a few at the top autocratically. Furthermore, because of lack of input from lower level employees, as well as poor communication and information-sharing, the quality of these decisions is usually poor. While this situation may be acceptable traditionally, it is less likely so in a globalized urban environment, where socio-cultural values are changing due to modern education and training, external

socialization, media exposure, etc. (Ahmad *et al.*, 2009; Norazizan *et al.*, 2002). Thus, Malaysia's conventional value of high power distance indicates that power relations between higher and lower levels of the organizational hierarchy is also a key factor which may affect empowerment and job satisfaction among urban employees.

Considering the above, it is clear that the relationship between empowerment and job satisfaction cannot be discussed separately from the organizational and socio-cultural environments in which it exists. Particularly in urban Malaysia, four factors in the said environments, namely, form of ownership, job sector, type of industry, and organizational hierarchy, must be considered in the interpretation of the said relationship. Hence, in the context of the current study, differences in employee empowerment and job satisfaction according to these factors have become a highly pertinent research question, as forwarded in the hypothesis below:

- H2.* The levels of empowerment and job satisfaction among Malaysia's urban employees differ according to organizational form of ownership, job sector, type of industry, and organizational hierarchy.

4. Methodology

A quantitative approach was adopted in this study as it facilitates the examination of a larger and more representative set of data (Fowler, 2002; Kumar, 2012). In the following sub-sections, we discuss the survey instrument, sampling method and statistical techniques used in data collection and analysis.

4.1 Survey instrument

The questionnaire consisted of two parts, whereby Part A was used to measure respondents' scores on the two continuous variables, while Part B collected their demographics data. In Part A, respondents were asked about the extent of empowerment they have experienced at the workplace (employee empowerment), and the level of satisfaction they derived from their job (job satisfaction). As shown in Table I, the items for each variable were sourced from related studies by Chiang and Hsieh (2012), Fock *et al.* (2011), and Kinicki *et al.* (2002). Following the recommendations made by Babakus and Mangold (1992), responses were measured using

Item	Statement	Sources
<i>Employee empowerment</i>		
EE_1	I'm confident about my abilities to do my work	Chiang and Hsieh (2012), Fock <i>et al.</i> (2011)
EE_2	I have mastered the skills necessary for my job	
EE_3	My supervisor suggests ways to improve my work performance	
EE_4	I'm allowed to do almost anything to provide a high quality job	
EE_5	I have the authority to correct problems when they occur	
EE_6	I'm encouraged to use my initiative when dealing with job-related problems	
EE_7	I have lot of control over how I do my job	
EE_8	I do not need management approval before handling job-related problems	
EE_9	I'm allowed to perform my job the way I think most appropriate	
EE_10	While performing my job function, I'm able to act independently of my superior	
<i>Job satisfaction</i>		
JS_1	I'm satisfied with my work environment	Fock <i>et al.</i> (2011), Kinicki <i>et al.</i> (2002)
JS_2	I'm generally satisfied with the nature of my job	
JS_3	I'm happy with the way my colleagues and superiors treat me	
JS_4	My job meets my expectations	
JS_5	I feel good at work	

Table I.
Items for continuous variables

five-point Likert scales ranging from 1 = “Strongly Disagree” to 5 = “Strongly Agree,” with 3 = “Neutral.”

Part B utilized discrete scales to help generate a profile of the respondents based on their age, gender, education and length of service in current organization, as well as the organization’s form of ownership, sector, type of industry, and levels of hierarchy. Data collected in Part B were also used in ANOVA tests to determine gaps in employee empowerment and job satisfaction, according to the four factors described earlier.

4.2 Sampling

The study’s population sample comprised Malaysians working in the capital city of Kuala Lumpur across a broad range of industries in local and foreign-owned organizations, both in the public and private sectors. We have focused on an urban sample because economic activities are usually concentrated in large cities and thus rapid organizational changes particularly affect the urban workforce. We undertook a pilot study of 20 individuals among our personal networks and observed a general reluctance to participate in the survey; the most common reason was a busy schedule. To overcome this problem of lack of cooperation from potential respondents, we adopted snowball sampling, as advocated by Kumar *et al.* (1993).

A total of 300 copies of the questionnaire were distributed through part-time master students of three public universities in the city, all of whom were in employment. These ten initial subjects were briefed at their respective universities and guided through each item in the questionnaire, after which they administered the forms to colleagues at their own organizations. In total, 125 completed forms were returned after a week, yielding a response rate of 41.7 percent. We considered these sample size and response rate adequate based on the guidelines spelled out by Tabachnick and Fidell (2013) and the overall findings made by Watt *et al.* (2002).

4.3 Data analysis

Data were analyzed using SPSS version 23. The analysis began with a normality test of the data distribution, followed by the instrument’s validity and reliability checks. According to Pallant (2013), normality of the data distribution can be assessed based on the Shapiro-Wilk statistic, where a significant value of more than 0.05 indicates normality. Our results show that the significant value of the Shapiro-Wilk statistic is 0.842, thus indicating a normal distribution.

To confirm instrument validity, we employed factor analysis according to the procedures set out by Fowler (2002). The results are as shown in Table II. Principal component analysis for the ten items of employee empowerment revealed the presence of one component with eigenvalue exceeding 1, explaining 66.89 percent of the variance. Principal component analysis on the five items for job satisfaction also revealed only one component with eigenvalue more than 1, where the variance was 58.86 percent. Since factor loadings for all associated items were strong, i.e. >0.5 (Fowler, 2002; Kumar, 2012), no item was deleted for the next stage of analysis.

The instrument was then tested for reliability. Following the guidelines specified by Kumar (2012), our results indicate that both scales were reliable, where Cronbach’s α for employee empowerment is 0.852, and for job satisfaction 0.824. Since the α score for each scale was not improved by deleting any of its corresponding items, both scales were retained for subsequent stages of the analysis.

Next a frequency analysis was conducted to generate a profile of the respondents based on age, gender, education, and length of service in current organization, as well as the organization’s form of ownership, sector, type of industry, and levels of hierarchy. To test the first hypothesis, correlation and regression analyses were used. This is considered appropriate because the theoretical framework consists of only a single relationship between

Table II.
Results of factor
analysis

Variable	Variance	Eigenvalue	Factor loading
<i>Employee empowerment</i>	66.89	4.458	
EE_1			0.889
EE_2			0.846
EE_3			0.850
EE_4			0.670
EE_5			0.671
EE_6			0.521
EE_7			0.510
EE_8			0.871
EE_9			0.767
EE_10			0.585
<i>Job satisfaction</i>	58.86	2.943	
JS_1			0.807
JS_2			0.764
JS_3			0.600
JS_4			0.794
JS_5			0.847

one independent variable and one dependent variable (Tabachnick and Fidell, 2013). The second hypothesis was tested using ANOVA, by checking the significant value of the *post hoc* tests as well as comparing the mean differences among groups (Pallant, 2013).

5. Findings

Results of the frequency analysis and hypotheses-testing are presented in the following sub-sections.

5.1 Profile of respondents

The results show that out of the total 125 respondents, 64 (51.2 percent) were males and 61 (48.8 percent) females. In terms of age, the biggest group were those in their thirties ($n = 62$, 49.6 percent), followed by twenties ($n = 52$, 41.6 percent) while the 40-and-above age bracket came last ($n = 11$, 8.8 percent). This distribution is relatively representative of the Malaysian working population according to gender and age (Department of Statistics Malaysia, 2016). A clear majority of the respondents ($n = 96$, 76.8 percent) had a tertiary qualification, and 28 of them (22.4 percent) possessed a vocational certificate. Only one (0.8 percent) was a high-school leaver. With regard to length of service, 17 (13.6 percent) of the respondents had been working in their current organizations for less than a year, 41 (32.8 percent) for 1 to less than 3 years, 46 (36.8 percent) from 3 to less than 6 years, and the remaining 21 (16.8 percent) for 6 years and above.

In all, 84 (67.2 percent) of the respondents worked in wholly local-owned organizations while only 13 (10.4 percent) were employed by wholly foreign-owned companies. The rest of them ($n = 28$, 22.4 percent) worked in business firms jointly shared by local and foreign owners. A huge majority were in the private sector ($n = 104$, 83.2 percent), whereas the remaining 21 (16.8 percent) were public sector employees. In terms of industry, 19 (15.2 percent) were in finance/insurance, 15 (12.0 percent) in electronics, 15 (12.0 percent) information technology, 13 (10.4 percent) education, 10 (8.0 percent) pharmaceutical/medical, and 2 (1.6 percent) agriculture. In total, 51 (40.8 percent) specified their industry as "others," comprising public administration, food and beverage, retail, and tourism. Executives made up 28.0 percent of the sample ($n = 35$), 28.8 percent ($n = 36$) were assistant managers, 24.8 percent ($n = 31$) middle managers, and 12.0 percent ($n = 15$) senior managers. 6.4 percent ($n = 8$) of the respondents categorized their job level as "others," consisting of management trainees and junior officers.

5.2 Results of hypotheses testing

H1. Empowerment has a significant positive relationship with job satisfaction among Malaysia's urban employees.

Correlation analysis between employee empowerment and job satisfaction produced a coefficient of 0.604 (significant at $p < 0.01$), which suggests a strong positive relationship between the two variables. In simple regression analysis, adjusted $R^2 = 0.365$ ($p = 0.000$), indicated that employee empowerment can explain 36.5 percent of the variance in job performance. The strong positive effect of employee empowerment on job satisfaction is confirmed by $R = 0.604$ ($p = 0.000$). These results provide the basis to support *H1*:

H2. The levels of empowerment and job satisfaction among Malaysia's urban employees differ according to organizational form of ownership, job sector, type of industry, and organizational hierarchy.

Besides examining the effect of employee empowerment on job satisfaction, the study was also concerned with possible gaps among sub-groups divided according to form of ownership, job sector, type of industry, and levels in the organizational hierarchy. ANOVA tests were used to determine whether there were significant differences in the mean scores for employee empowerment and job satisfaction. The results are summed up in Table III, and elaborated further below.

Employee empowerment. Results of the analysis show an overall mean of employee empowerment which is higher than the median but lower than the third quartile ($M = 36.744$, $SD = 5.190$), implying a moderately positive level. There appear to be no significant differences among sub-groups based on form of ownership ($p = 0.471$), job sector ($p = 0.723$), and type of industry ($p = 0.439$). In contrast, the scores on employee empowerment significantly differ according to levels of organizational hierarchy ($p = 0.000$), where higher levels of the organization were much more empowered than lower levels. The highest means were recorded by senior managers ($M = 39.800$), followed by middle managers ($M = 38.096$) and assistant managers ($M = 38.000$), all of which exceed the overall mean score. Executives ($M = 33.057$) and the "Others" comprising management trainees and junior officers ($M = 36.250$) gave scores lower than the overall mean.

Job satisfaction. The mean score of the overall sample is above the median but lower than the third quartile ($M = 18.296$, $SD = 2.910$), which suggests that the general rate of job satisfaction is moderately positive. Similar to employee empowerment, there are no significant differences in job satisfaction based form of ownership ($p = 0.510$), job sector ($p = 0.257$), and type of industry ($p = 0.402$). On the other hand, the scores significantly differ according to levels of organizational hierarchy ($p = 0.004$), where employees at higher levels were a lot more satisfied with their job than those at lower levels. Again, the highest mean scores were given by senior managers ($M = 19.933$), followed by middle managers ($M = 18.774$) and assistant managers ($M = 18.694$), all of whom gave scores higher than the overall mean. In contrast, executives ($M = 16.914$) and the "Others" category recorded a much lower score ($M = 17.625$) than the overall mean.

6. Discussion and implications

In this section, the above results of hypotheses-testing are discussed in relation to the research questions, particularly their implications for organizational change management in urban Malaysia and other emerging markets.

6.1 Effect of employee empowerment on job satisfaction

Findings of this study provide empirical evidence for the generalizability of the theoretical link between employee empowerment and job satisfaction within the context of urban Malaysia.

Description	<i>n</i>	Mean	SD	<i>F</i>	Sig.	Organizational change management	
<i>Employee empowerment (M = 36.744, SD = 5.190)</i>							
Form of ownership							
Wholly local	84	36.309	5.726	0.893	0.471	705	
75% to 99% local	15	38.000	3.338				
50% to 74% local	10	35.800	3.552				
25% to 49% local	3	37.667	5.686				
Wholly foreign	13	38.615	3.948				
Job sector							
Public	21	37.476	5.600	0.126	0.723		
Private	104	36.596	5.119				
Type of industry							
Finance/insurance	19	36.157	4.099	0.984	0.439		
Electronics	15	36.267	6.419				
IT	15	34.867	5.841				
Pharmaceutical/medical	10	36.700	3.529				
Education	13	39.000	4.760				
Agriculture	2	40.500	4.949				
Others	51	36.941	5.319				
Level of hierarchy							
Executive	35	33.057	5.503	8.411	0.000		
Assistant manager	36	38.000	4.368				
Middle manager	31	38.096	3.198				
Senior manager	15	39.800	4.945				
Others	8	36.250	3.918				
<i>Job satisfaction (M = 18.296, SD = 2.910)</i>							
Form of ownership							
Wholly local	84	18.024	3.073	0.828	0.510		
75% to 99% local	15	18.600	2.772				
50% to 74% local	10	18.400	2.011				
25% to 49% local	3	18.667	2.516				
Wholly foreign	13	19.538	2.601				
Job sector							
Public	21	19.143	3.581	1.299	0.257		
Private	104	18.125	2.743				
Type of industry							
Finance/insurance	19	17.789	1.931	1.042	0.402		
Electronics	15	18.333	1.588				
IT	15	17.667	1.588				
Pharmaceutical/medical	10	18.800	1.873				
Education	13	19.461	3.665				
Agriculture	2	21.500	4.949				
Others	51	18.137	3.583				
Level of hierarchy							
Executive	35	16.914	2.267	3.996	0.004		
Assistant manager	36	18.694	2.846				
Middle-manager	31	18.774	2.825				
Senior manager	15	19.933	2.789				
Others	8	17.625	4.138				

Table III.
Results of ANOVA

Results of correlation and regression analyses show that, similar to employees in advanced countries who are working in rapidly changing environments (Seibert *et al.*, 2004), urban Malaysian employees too appreciate workplace empowerment and consider it a significant factor which improves their job satisfaction. These findings are consistent with the argument that empowerment enhances individual participation and organizational

connectedness among employees, and this improves their perception of how well their job provides the things that are important to them, especially in times of change (Chiang and Hsieh, 2012; Fock *et al.*, 2011; Spector, 2008; Spreitzer *et al.*, 1997).

The above results have considerable implications for change management in urban Malaysian organizations. When changes are implemented as a result of strategic restructuring, employees typically face huge workplace challenges which can lower their job satisfaction and prompt them to quit (Kiefer, 2005; Maheshwari and Vohra, 2015). However, through empowerment, this sense of dissatisfaction can be improved by giving employees greater control over the change process (Bish *et al.*, 2015; Miller, 2002). As demonstrated by Li *et al.* (2016), empowerment induces change-oriented behaviors among employees since it improves their sense of self-competence. Thus our findings also support the notion that empowerment can be an effective strategy for organizations competing to retain talented employees in a fast-changing environment.

Nevertheless, discrepancies in work practices among different societies (Abdullah, 2005; Fock *et al.*, 2011; Humborstad *et al.*, 2008) and categories of organization (Beh, 2014; Ismail *et al.*, 2014; Santhapparaj and Syed, 2005), have raised the question of which organizational and socio-cultural factors affect employee empowerment and job satisfaction. This issue was examined earlier using four factors in the organizational and socio-cultural environments, namely, form of ownership, job sector, type of industry, and organizational hierarchy. Surprisingly, no significant differences in employee empowerment and job satisfaction were observed between local and foreign-owned organizations, between private and public sectors, and among various types of industry. The only factor out of the four which affects employee empowerment and job satisfaction appears to be organizational hierarchy, the significance of which is elaborated next.

6.2 Gaps in the organizational hierarchy

Results of the ANOVA tests demonstrate that there is a disconnection between urban Malaysian managers and their subordinates in the level of empowerment they each enjoy at the workplace and the sense of satisfaction they derive from it. While the senior management group feel highly empowered and are in turn greatly satisfied with their job, their subordinates are clearly less so. Furthermore, since this pattern declines progressively from one level of the organization to the next, top to bottom, the centralization of information and decision-making power at the highest level of the organization is also quite vivid. As there are no differences according to form of ownership, job sector and type of industry, the gaps between managers and subordinates can be said to exist for all types of organization. Evidently, this strict separation of powers based on organizational hierarchy is a widespread socio-cultural phenomenon in urban Malaysia, rather than being restricted to a particular form of organizational ownership, sector, or type of industry.

Based on the above, and in line with various other studies (Abdullah, 2005; Hofstede, 1991; Kanter, 1993; Sweetman, 2012), our research supports the theory that socio-cultural values strongly affect organizational practices. Moreover, consistent with Humborstad *et al.* (2008), our findings indicate that in high power distance cultures, employee empowerment is not exercised sufficiently due to their tendency to centralize power at upper levels of the organization. In these circumstances, the quality of decisions made are usually poor (Khatri, 2009), which likely causes dissatisfaction among lower level employees and trigger their intention to leave the organization. This situation appears to be more keenly felt in urban areas where socio-cultural values are changing (Ahmad *et al.*, 2009; Norazizan *et al.*, 2002), and the traditional submissive attitude of employees is gradually replaced with a growing demand for engagement, participation and empowerment. Hence contrary to the popular belief that urban Malaysian executives have little sense of loyalty to their organizations, this study argues that it is the empowerment discrepancy between upper and lower levels of the

organizational hierarchy that creates their dissatisfaction and prompts them to seek employment elsewhere.

Bish *et al.* (2015) found that divisional and unit leaders are central to the success of new strategy implementations, since they play a significant role in the diffusion of a changed top leadership vision to lower level employees. Comparing this earlier finding to the current study, there are concerns for modern organizations in traditionally high power distance societies since the disconnection between senior and middle managers, as well as between middle managers and executives, will likely result in the failure to implement policy changes. Therefore, coupled with the problem of employee retention, organizational hierarchy and its associated power relations appear to have implications, not just on the obvious aspects of organizational change management, such as creating an empowering climate (Chang, 2016), but also on the more subtle issues of succession and goal-sharing.

7. Suggestions for future research

This study applied snowball sampling in the exploration of the research questions. The resulting sample was limited in size and rather homogeneous (only employees in the capital city were involved). With a larger and more heterogeneous sample, it would be possible to conduct multi-level analyses, where the effect of empowerment on job satisfaction can be re-tested across sub-groups to see whether it is generalizable to a more diverse workforce. In this manner, multi-level analyses would help to produce a deeper understanding of the effect of employee empowerment on job satisfaction in Malaysia by identifying which contextual factors moderate the relationship between the two variables. Furthermore, taking up the earlier mentioned work by Bish *et al.* (2015) about the influence of leadership on change diffusion, the possible effects of employee empowerment and job satisfaction on employees' response to change should also be of interest in future studies.

The above proposed relationships involving employee empowerment, job satisfaction, organizational and socio-cultural context, and response to change can be consolidated and visualized in the form of a theoretical framework, as shown in Figure 1. The significance of the overall model, as well as the strength of each relationship, is testable using more sophisticated statistical analysis such as structural equation modeling.

8. Conclusion

The current study has attempted to investigate the relationship between employee empowerment and job satisfaction in the context of urban Malaysia, which is fast developing yet struggling with high employee turnover and brain drain. From the analysis, it is found that the theoretical link between empowerment and job satisfaction is indeed tenable in the urban Malaysian environment. This finding holds considerable implications for organizational change management in Malaysia since empowerment has the capacity to build employees' self-efficacy which improves their productivity and innovativeness. It also

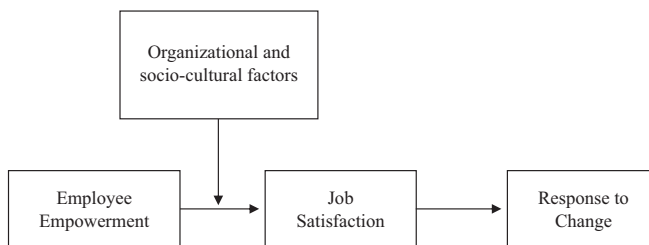


Figure 1.
A proposed model of
employees' response
to change

suggests that empowerment is a powerful strategy for Malaysian organizations competing to retain talented employees in times of rapid change.

Nevertheless, the evidence shows that much greater empowerment and job satisfaction are enjoyed by senior managers than lower levels of the organizational hierarchy, particularly executives and management trainees. Such a disconnection between upper and lower levels of the organizational hierarchy is likely due to Malaysia's traditionally high power distance culture, which is increasingly being questioned by younger employees working in fast developing urban environments. These findings help to explain Malaysia's high rates of employee turnover and brain drain among young urban professionals, while presenting challenges ahead for management succession and the sustainability of organizational change.

To conclude, this study has contributed new theoretical insights on the role of power relations in organizational change management by demonstrating the influence of organizational hierarchy on employee empowerment and job satisfaction in a non-western setting. The findings also have practical implications, particularly for emerging markets, where the potential lies in well-educated youth who appreciate the opportunity to contribute toward better quality decisions through organizational engagement and interaction. However, this is only possible if issues in power relations and communication are effectively managed to allow more access to information and fairer participation in decision-making.

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Further reading

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