PSYCHOLOGICAL EMPOWERMENT IN THE WORKPLACE:
REVIEWING THE EMPOWERMENT EFFECTS ON CRITICAL WORK OUTCOMES

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ABSTRACT

This paper reviews theory and empirical findings on the effects of empowerment in the workplace. Data from existing studies is used to assess the effects of the four empowerment dimensions on affective and behavioral employee responses. Data is reanalyzed using hierarchical regression analysis. Confirming growing skepticism among practitioners and academics, this study indicates that empowerment practices result in more satisfied and committed, but not necessarily better performing employees. Furthermore, it is shown that there is a differential impact of the distinct empowerment dimensions on employee performance levels. Theoretical and practical implications are discussed.

Keywords**:** Employee Empowerment; Employee Performance

INTRODUCTION

For theory and practice alike, the promise of empowerment has been satisfied, committed and highly performing employees. Over a decade ago, Conger and Kanungo (1988, p. 471) noted that, "the practice of empowering subordinates is a *principal* component of managerial and organizational effectiveness" (added emphasis). Building on insights derived from research on human motivation (e.g. Brief & Nord, 1990; Deci et al., 1989; Hackman & Oldham, 1980; Herzberg, et al., 1959; Maslow, 1954), several scholars echoed Conger and Kanungo's proposition (e.g. Forrester, 2000; Liden et al., 2000; Spreitzer, 1995; 1996; Thomas & Velthouse, 1990).

Nowadays, despite some decades of academic and practitioner attention on the empowerment construct, the received wisdom on the empowerment effects in the workplace is skepticism. Many leading service companies have dropped empowerment from their list of preferred management practices. While some abandoned the idea completely, others stacked the empowerment approach into a broader and more balanced array of people management strategies to foster employee and organizational effectiveness.

Accordingly, from an academic point of view, efforts to better understand the relationship between empowerment and employee and organizational effectiveness have resulted in mixed and inconsistent findings. As will be shown later, several authors found positive relationships between empowerment cognitions and effectiveness at the level of the individual employee. However, turning to the organizational level of analysis, the relations seem less clear. Staw and Epstein (2000) for example, in assessing the effects of popular management techniques on firm performance, found that focusing on empowerment did have a significant effect on firm reputation but not on firm performance.

Given these observations, the objective of this paper is to review empirical evidence on the empowerment effects. After having clarified what is meant with the notion of empowerment, we will review theoretical arguments about empowerment effects in the workplace. Then, we will contrast these theoretical arguments with results from our reanalysis of empirical evidence on the empowerment effects.

By doing so, we contribute in several ways to the current status of knowledge on empowerment in the workplace. First, we provide a review of theoretical arguments on the effects of empowerment on important employee work outcomes such as job satisfaction, organizational commitment and employee performance levels. Second, theoretical claims concerning the effects of empowerment in the workplace are empirically reviewed. In times

when efforts to better understand the relationship between empowerment and employee effectiveness have resulted in mixed and inconsistent findings, such a review may provide some much needed clarity. In this respect, this research's contribution is that it provides a clear picture on the current status of research assessing the empowerment effects. Third, in explaining our results, we suggest some avenues for further research that may be fruitful in gaining a better understanding on empowerment effects in the workplace and how to strengthen the empowerment – performance relationship. Finally, we propose some practical considerations about how to deal with empowerment in the workplace. These may be especially helpful for people managers who adhere to the empowerment principles.

Choosing among Perspectives: A Psychological View on Empowerment

Organizational researchers have distinguished between two major perspectives on empowerment: the structural and the psychological approach. Originally, the structural view focused on empowering management practices, including the delegation of decision making from higher to lower organizational levels (cf. Heller, 1998; Heller et al., 1998) and increasing access to information and resources for individuals at the lower levels (Bowen & Lawler, 1992, 1995; Rothstein, 1995). As such, central to the notion of structural empowerment is that it entails the delegation of decision-making prerogatives to employees, along with the discretion to act on one's own (Mills & Ungson, 2003). In this structural view, the rationale is that employees will behave in an empowered way by making the necessary changes at the structural level. More specifically, employees would feel more personal control over how to perform the job; would be more aware of the business and the strategic context in which the job is performed; and would be more accountable for performance outcomes (Bowen & Lawler, 1995). These cognitive-affective responses have later been relabeled as psychological empowerment (Conger & Kanungo, 1988).

In this review, we focus on this psychological perspective on empowerment for several reasons. First, thanks to the work of Conger and Kanungo (1988) and Thomas and Velthouse (1990), important steps have been taken towards clarification of this psychological approach to empowerment, resulting in a growing consensus on its conceptualization. Second, because of the development of a sound and validated measurement instrument (Spreitzer, 1995; 1996), the psychological perspective is for our purposes the most useful perspective because it enables us to systematically review both the theoretical and empirical evidence on the effects of empowerment in the workplace.

Rather than approaching empowerment as "something managers do to their people" (Quinn & Spreitzer, 1997, p. 41), the psychological perspective focuses on perceptual or psychological dimensions of empowerment (Liden et al., 2000). Extensive efforts in the organizational theory domain have been devoted towards the clarification of these psychological empowerment dimensions. Thomas and Velthouse (1990) defined psychological empowerment as increased intrinsic task motivation, i.e. generic conditions by an individual, pertaining directly to the task, that produce motivation and satisfaction. Building on the work of Conger and Kanungo (1988), these authors distinguished between four empowerment dimensions, which reflect four distinct cognitions relating to an employee's orientation to his or her work.

The first empowerment cognition is meaningfulness. It concerns the value of a work goal or purpose, judged in relation to an employee's own ideals and standards (Thomas & Velthouse, 1990; Spreitzer, 1995, 1996). It refers to congruence between requirements of a work role and employee's beliefs, values, and behaviors (Brief & Nord, 1980; Spreitzer, 1995). The second empowerment cognition is competence. It is an employee's belief in his or her capability to perform task activities skillfully when he or she tries (Thomas & Velthouse, 1990). Bandura's (1997) self-efficacy concept reflects this competence dimension. Self-determination, the third empowerment cognition, involves causal responsibility for a person's actions. It is the employee's perception on the autonomy in the initiation and continuation of work behaviors and processes (Bell & Staw, 1980; Deci, Connel & Ryan, 1989). Finally, impact is the fourth empowerment cognition. It reflects the degree to which an employee can influence strategic, administrative, or operating outcomes at work (Ashforth, 1989). As pointed out by Lee and Koh (2001), the general notion of impact has been studied under various labels, including learned helplessness (Overmeier & Seligman, 1967) and locus of control (Rotter, 1966). Impact is the converse of learned helplessness (Martinko & Gardner, 1982), however, it differs from locus of control. Internal locus of control is a general personality characteristic, while the impact cognition endures with the work context (Spreitzer, 1995).

METHOD

Next to a review of theoretical arguments about the effects of empowerment in the workplace, this study also has the objective to provide a review of empirical evidence. This empirical review has two main purposes. First, we want to develop an integrative view on empirical evidence concerning the relationship between employee empowerment and important work outcomes such as employee performance levels, job satisfaction and organizational commitment. Secondly, building on the multidimensionality of the psychological empowerment construct, we want to extract clear empirical evidence on the unique contribution of the empowerment dimensions on employee performance levels. The following methodology has been used to accomplish both these research purposes.

Sample

Major psychological and managerial oriented journals were scanned on articles containing empirical evidence on the relationship between the empowerment dimensions and important work outcomes such as job satisfaction, organizational commitment, effectiveness and performance. For comparative reasons, we searched for articles that used Spreitzer's (1995) measurement scale of psychological empowerment. We did so because Spreitzer's empowerment scale builds on Conger and Kanungo's (1988) and Thomas and Velthouse's (1990) conceptual work that found wide acceptance in the organizational theory domain. We executed a search in the Social Science Citation Index for articles that referred to the before mentioned article. This resulted in 96 hits. Each of these articles were reviewed to check if (a) empirical evidence on the relationship between empowerment and the work outcomes mentioned before were presented and (b) the correlation matrix -including the four empowerment dimensions- was presented in order to allow us to reanalyze the data. In total, four articles (covering 5 research samples) were found that could be used to assess the relationship between the psychological empowerment dimensions and important work outcomes. Two of the found studies used partly the same sample (Spreitzer, 1995 and Spreitzer, Kizilos and Nason, 1997).

Analysis

To develop an integrative view on empirical evidence on the power of the empowerment construct in explaining the variance in employee performance, job satisfaction and organizational commitment, we used regression analysis. The correlation matrices presented in the articles were used as input in SPSS 11.0. This allowed us to reanalyze the data using one single statistical technique. The four empowerment dimensions were simultaneously brought into the regression equation as independent variables. Employee performance, job satisfaction and organizational commitment respectively were inserted as dependent variables. For each of these outcome variables, R^2 was calculated, measuring the explained variance in the outcome variable by the four empowerment dimensions (See table 1). Secondly, we aimed to extract clear empirical evidence on the unique contribution of the empowerment dimensions on employee performance. Therefore, we computed the incremental variance of each empowerment dimension in the performance outcome beyond that explained by the other three dimensions in a hierarchical regression analysis. R^2 Change is used as an indicator of this unique contribution.

RESULTS

Are More Empowered Employees More Satisfied with their Jobs?

Of the four empowerment dimensions, the strongest theoretical argument for a positive relationship to work satisfaction has been made for meaningfulness (Liden et al., 2000). Already in the late fifties, it has been stressed that the degree to which an individual finds work personally meaningful is an important precondition of work satisfaction (Herzberg et al., 1959). Hackman and Oldham (1980) echoed this proposition by introducing job meaningfulness as a critical precursor to work satisfaction. Individuals who perceive their jobs to be significant and worthwhile feel higher levels of work satisfaction than those who perceive their jobs as having little value. In contrast, low levels of meaning have been linked to apathy at work and, hence, lower levels of work satisfaction (Thomas & Velthouse, 1990). Further theoretical arguments draw on Locke's (1976) notion of personal value fulfillment. From this perspective, work satisfaction results from the perception that one's work fulfills or allows the fulfillment of one's desired work values. Such value fulfillment is consistent with the meaning dimension of empowerment (Spreitzer et al., 1997).

Arguments have also been made for positive relations between the other empowerment dimensions and work satisfaction. Looking at the impact dimension, individuals should derive a sense of job satisfaction when they feel that they have been directly involved in outcomes that affect the organization. Similarly, the more individuals are involved in decision-making, the more satisfied they should be with the work itself (Niehoff et al., 1990). Furthermore, a sense of control or self-determination over one's work is satisfying because any accomplishments can be attributed more to oneself than to other individuals. Similarly, others found task autonomy (Brown and Peterson, 1993) and decision-making latitude (Westman, 1992) to be related to increased job satisfaction. Finally, research on self-efficacy indicates that individuals who possess confidence in being able to succeed are happier with their work than those who fear that they may fail. Being fearful of failure may lead the individual to experience feelings of helplessness (Martinko & Gardner, 1982), and, as a result, such individuals will be less satisfied with the work than people who are confident in their levels of competence. Thus, there is strong theoretical evidence for a positive relationship between empowerment (comprising the four cognitions of meaningfulness, competence, self-determination and impact) and job satisfaction.

Turning to empirical evidence, our review included two studies (with three samples in total) that investigated the relationship between psychological empowerment and employee satisfaction. The results that are presented in Table 1 confirm that there is a significant relationship between level of psychological empowerment and job satisfaction. The relationship seems especially strong for lower-level employees, where empowerment explains about 40 percent of the variance in job satisfaction (Spreitzer et al., 1997; Liden et al., 2000). In a sample of mid-level employees, R^2 was substantially smaller (14 percent), but still significant (Spreitzer et al., 1997) .

Are More Empowered Employees More Committed to their Organization?

Organizational commitment refers to an individual's attachment, loyalty, and identification with the organization (Meyer & Allen, 1984). Kanter (1983) argued that having a sense of meaning in the job results in high commitment and concentration of energy. Several other authors (Campion & Lord, 1982; Hollenbeck & Klein, 1987; Mento, Cartlidge & Locke, 1980; Taylor et al., 1984) also contented that meaningfulness has a positive impact on goal commitment.

However, sound theoretical arguments for this relationship are rare. Liden et al. (2000) argued that empowerment may contribute to a sense of commitment to the organization through a process of reciprocation. Individuals tend to appreciate organizations that provide opportunities for decision latitude, challenge, and responsibility, as well as for the feelings of meaning, impact, self-determination and mastery that result from these conditions. They are likely to reciprocate by being more committed to the organization (Eisenberger, Fasolo & Davis-La Mastro, 1990; Kraimer et al., 1999). Thus, the concept of reciprocation provides a theoretical explanation why empowerment should result in increased identification, attachment, and loyalty to the organization.

Table 1 reports on two studies that assessed the empowerment – commitment relationship. Providing support for the theoretical argumentation mentioned above, the two studies showed that empowerment explains a considerable percentage of the variance in commitment. In a sample of 160 nursing staff in a community hospital, empowerment explained about 30 percent of the variance in commitment (Kraimer et al., 1999). R^2 was even higher (40 percent) in a sample of 337 lower-level employees in a large U.S. service organization (Liden et al., 2000).

Insert Table 1 About Here

Do More Empowered Employees Perform Better?

A major promise of empowerment theory is that empowered individuals should perform better than those who are relatively less empowered (Thomas & Velthouse, 1990). In this section, we focus extensively on theoretical arguments on this relationship, before turning to empirical evidence.

Spreitzer (1995) argues that empowered employees are likely to be seen as effective because they proactively execute their job responsibilities. This is because they see themselves as competent and able to influence their jobs and work environments in meaningful ways. Liden et al. (2000) propose that individuals who feel that their jobs are meaningful, and who impact on others within and outside the organization by completing their job responsibilities, are motivated to perform well.

According to findings by Deci and Ryan (1987) self-determination results in learning, interest in activity and resilience in the face of adversity. When self-determination is not present, individuals feel helpless because they are not allowed to take work-related actions that they deem appropriate (Greenberger, Strasser, Cummings & Dunham, 1986). In a comprehensive meta-analysis summarizing the relationship of perceived control (including participation and autonomy) with a range of outcomes, Spector (1986) found strong evidence of positive associations with job performance. Both cognitive and motivational explanations link self-determination with effectiveness. From a cognitive perspective, employees generally have more complete knowledge and information about their work than their bosses and are, thus, in a better position to plan and schedule work, and to identify and resolve obstacles to achieving job performance (Cooke, 1994). Employees come to understand which behaviors and task strategies are most effective and how performance might be improved (Lawler, 1992). Thus, job performance can be enhanced when employees are given autonomy over how their work is to be accomplished (Locke & Schweiger, 1979; Miller & Monge, 1986). Using a framework of intrinsic motivation, Thomas & Tymon (1994) found that employees who had a choice regarding how to do their own work were found to be higher performers than those with little work autonomy (Thomas & Tymon, 1994). Similarly, individuals who had more control over work-related decisions were found to be rated higher on job performance by their superiors than those with less control over their work (Liden et al., 1993).

Though the impact dimension of empowerment has received less attention in the literature than the other dimensions, theory suggests that it should be positively related to performance. If individuals believe that they can have an impact on the system in which they are embedded, that they can influence organizational outcomes, then they will be seen as more effective (Ashforth, 1989). In contrast, individuals who do not believe that they can make a difference, will be less likely to try as hard in their work, and hence will often be seen as less effective. And finally, focusing on the impact dimension, Ashforth (1989) found it to be associated with an absence of withdrawal from difficult situations and high performance.

Perhaps the most salient of all empowerment dimensions is competence. The personal sense of self-worth and confidence in one's job competence should translate into higher levels of performance in comparison to less empowered individuals. Gecas (1989) found that feeling competent in the job results in effort and persistence in challenging situations. Further, Ozer and Bandura (1990) found a positive relationship between feelings of competence, coping and high goal expectations. Locke et al. (1984) and Liden et al. (2000) argued for a direct relationship between competence and high performance.

Thus, from a theoretical perspective, the impact of empowerment on employee performance seems very plausible. Our empirical review however shows that psychological empowerment significantly, but only marginally explains differences in employee performance levels. Our results indicate that empowerment consistently explains about 6 percent in the variance of employee performance, both in a sample of lower-level employees in a service organization and in a sample of mid-level employees in an industrial organization.

In sum, this reanalysis confirms the significant relationship between empowerment, performance and other work outcome variables. However, while the relationship between empowerment and employee affective responses (i.e. work satisfaction and organizational commitment) is considerate, the relationship between psychological empowerment and employee performance levels is, at best, very modest. The consistent results among the studies show that the four empowerment dimensions, i.e. meaningfulness, competence, self-determination and impact, simultaneously only explain about six percent of the variance in performance.

Assessing the Effect of the Distinct Empowerment Cognitions on Employee Performance

Spreitzer (1995), in explaining empowerment and its importance as a motivational construct, stated that the four empowerment cognitions (i.e. meaning, competence, self-determination, and impact) reflect an active, rather than a passive orientation to a work role. The four dimensions are therefore argued to combine additively to create an overall construct of psychological empowerment, and are considered to impact simultaneously but independently on performance. Building on this proposition, most researchers refrained from analyzing the impact of the distinct empowerment dimensions on performance (one exception is Spreitzer, Kizilos & Nason's 1997 study). Because of the low explained variance in this re-analysis however, the question raises whether it is indeed true that the four empowerment cognitions individually impact on employee performance levels.

To check this proposition, we extracted empirical evidence on the unique explanatory power of each of the empowerment dimensions on employee performance. As mentioned in the methods-section, we computed the incremental variance of each empowerment dimension in the performance outcome beyond that explained by the other three dimensions in a hierarchical regression analysis. R^2 Change is used as an indicator of this unique contribution.

The results are presented in Table 2. It is shown that there is a differential impact of the four empowerment dimensions on performance. The unique contribution of the competence

and impact dimensions on performance are consistently shown to be significant, though very modest. The explained variance in performance ranges from 1 percent to 3 percent.

Insert Table 2 About Here

Furthermore, table 2 shows that the self-determination and meaning dimensions do not significantly explain any variance in performance at all. Most striking is the finding that the self-determination dimension shows to be unable to explain performance, given that the self-determination dimension is considered to be the key dimension of empowerment in much of the practitioner literature on empowerment (Byham, 1988; Macher, 1988) and earlier academic work on empowerment (Burke, 1986; Neilsen, 1986). Prior empirical research also found the self-determination dimension to have the strongest loading on a second order empowerment factor (Spreitzer, 1995).

DISCUSSION

In this paper, we reviewed theoretical and empirical studies on the impact of psychological empowerment on critical work outcome variables. We believe however that it is important to be fully aware of the limitations of this research before making sense of this research's findings and before depicting theoretical and managerial implications.

First, while our theoretical review integrated insights from motivation literature that spanned about four decades, our review of empirical evidence only took the results of five empirical studies, all executed around the late nineties, into consideration. Furthermore, all of these studies used Spreitzer's measurement scale of psychological empowerment. Though this results in more comparable data and provides some valuable insights, it also limits the generalizability of our findings. Spreitzer's empowerment scale builds further on Conger and Kanungo (1988) and Thomas and Velthouse's (1990) conceptualization of psychological empowerment as some form of intrinsic motivation. Though this may currently be the dominant approach in organizational research, other conceptualizations (see e.g. Menon, 2001; Zimmerman, 1990) and measurement scales (see e.g. Menon, 1999; Zimmerman, 1992) have been developed which were not reviewed in this research.

Secondly, the studies we used for reanalyzing the empowerment effects mainly use a single-source survey approach. Consequently, a major weakness of the study is that the results may be susceptible to common method variance. Further research on the empowerment effects would therefore greatly benefit from using multiple sources, especially in assessing employee performance levels. Supervisor ratings and organizational performance review scores seem most appropriate in this respect.

Thirdly, we refer to our review approach as a quasi meta-analysis. While meta-analytic approaches explicitly deal with study artifacts and their impact on study outcomes (Hunter & Schmidt, 1990), this was not our main focus. Consequently, we did not aggregate correlations across studies, nor did we correct for any sampling error or correlation biases. Instead, we re-analyzed the data of empirical studies, using one single statistical technique, to distill a common pattern of findings.

Despite these limitations, this review provides clear evidence, both theoretically and empirically, that there is a consistent and strong relationship between empowerment cognitions and employees' job satisfaction and organizational commitment. Our results indicate that the more employees feel empowered, the happier they are with their job and the more committed to their organization. In contrast however, the relationship between psychological empowerment and employee performance levels showed, surprisingly, to be significant but extremely modest. Surprisingly, because of the substantial theoretical arguments arguing for a positive relationship between the two. Thus, clear and compelling evidence in support of the direct, positive and significant effects of employee empowerment on performance is lacking.

Why does past research show such weak empowerment-performance links? What can be suggested as ways to explain or enhance this finding? Before turning to the managerial implications, below we develop three potential ideas for discussion and consideration by future researchers.

First, it may be that a focus on the psychological perspective on empowerment is too narrow. As Forrester (2000) argues: "…Organizations are not well served by the current predominance of the psychological approach, which narrows and oversimplifies the motivations involved". (Forrester, 2000, p. 69). By directly linking psychological empowerment to performance outcomes, one ignores the potential mediating role of employee behaviors. This idea reflects the common sense notion that feelings of empowerment among employees only can lead to certain performance outcomes if these feelings are translated into the appropriate behaviors. Thus, an important question is whether employee psychological empowerment indeed unequivocally transfers into empowered behavior, which in turn impacts

on performance levels. Future studies could focus on this behavioral dimension of empowerment, which could be fruitful to further unravel the relationship between employee affects and its impact on performance outcomes.

Second, the existing body of knowledge on empowerment neither emphasizes the underlying goals nor views empowerment as a specific goal directed activity, assuming that the "power" in empowerment is universal, available for all ends. In contrast, employee performance ratings are generally framed within organization-wide efforts towards strategically determined goals. This discrepancy could be another reason why the relationship between 'general' feelings of empowerment and goal-related performance outcomes blurs. Thus, conceptualizing empowerment as a goal-directed process, assuming that employees feel (and behave) empowered to realize a specific goal X (e.g. highest customer satisfaction), but not necessarily goal Y (e.g. maximal productivity) seems another potentially interesting path to further explain the empowerment performance relationship.

Third, empowerment is a psychological process that takes shape within the work context. Taking a social-cognitive perspective (Bandura, 1997), it seems therefore important to simultaneously consider structural or contextual, cognitive and behavioral aspects of empowerment. Applying such an interactionist lens could help in gaining a more profound understanding on how the empowerment process unfolds. Furthermore, taking such a perspective may help in clarifying the finding that the four empowerment cognitions (meaningfulness, competence, self-determination and impact) differentially impact on employee behaviors and the resulting performance outcomes. Focusing on the interdependencies among those four empowerment cognitions could be a valuable starting point for such research efforts.

Next to the theoretical implications, this research and its findings may be of importance to practitioners dealing with empowerment in the workplace. This study clearly demonstrates that empowered employees are clearly and consistently happier with their job and more committed to the organization they are working for. Thus, empowerment is clearly a valuable path to follow when these affective employee outcomes need to be improved. Though this research does not add to our understanding on how employees can become more empowered, other studies (Bowen & Lawler, 1992, 1995) suggest that the distribution of authority, information, knowledge and rewards towards the lower organizational levels is an important precondition. Spreitzer (1996) found that so-called high-involvement systems provide a work environment in which individuals can assume a more active, rather than a passive, role in an organization. Such a work climate, characterized by little role ambiguity, strong sociopolitical

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support, access to information, and participative management, is found to be associated with the emergence of empowered employees.

While some have argued that empowerment is a critical ingredient of organizational effectiveness (Conger & Kanungo, 1988), this research reveals that more recent empirical evidence on this relationship shows a more challenging picture. Nevertheless, some interesting clues are provided to managers who want to improve performance levels in their departments or companies. In our review, the competence and impact dimensions showed to be more important direct drivers of employee performance than the meaningfulness and self-determination dimension. This is not to say however that feelings of employee meaningfulness and self-determination can be ignored in attempts to boost performance levels. More research is however needed to gain a better understanding on how the four empowerment cognitions differentially influence each other and how this integrative process of empowerment influences employee affect and behaviors. Therefore, in this section, we will focus on practices to enhance feelings of employee competence and impact.

First, as Albert Bandura already contested about a quarter of a century ago (Bandura, 1977), it is again shown that employees who belief in their capability to perform task activities skillfully are also better performers. Because 'belief in capability' is however not the same as 'capability' as such, managers should simultaneously pursue two avenues: facilitation of employee competence development and the creation of a 'self-confident' work force. Employee self-confidence may enhance by giving employees the chance to grow; by providing them with feedback on their way of performing and their performance results; and by creating a work environment where people can take risks and learn.

The second empowerment dimensions that consistently showed to relate to performance is the impact dimension, reflecting the degree to which an employee can influence strategic, administrative, or operating outcomes at work. Again, we see two possible avenues for managers to improve performance. First, it may be that employees are not involved in decision making, resulting in a low impact perception. In this case, managers may improve employee performance levels by involving employees more in decision making on the strategic, administrative or operational level. Setting up quality circles or other means through which employees can participate in decision making are concrete implementations of this high-involvement management model. The other possibility is that employees are involved in decision making or do have an impact on their environment, but that they are not aware of it because they are not exposed to it. Especially when employees are involved in intermediate steps within the process of producing a good or service, such a risk exists. In this case,

managers may enhance employees' perceptions of impact, by informing them better on the implications of their work for others. This can be done through mouth-to-mouth communication or through the installment of more formal feedback mechanisms.

Though these practical considerations may help in designing a work environment where empowered employees give the best of themselves, we already proposed to see empowerment as a complex process in which employee cognitions, behaviors and the work environment interact on each other to give shape to the empowerment phenomenon. In such a context, straightforward and easy solutions to boost employee performance are always 'tricky'. In this sense, our results cohere with growing recognition in the practitioner community that empowerments' promise is at best a possibility that requires careful implementation and at worst a perfidious allusion that can undermine organizational effectiveness (Quinn & Spreitzer, 1997). Still, we believe empowerment remains a potent idea (Forrester, 2000), for which the promise is worthy of pursuit.

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TABLE 1

Explained variance of critical work outcomes by psychological empowerment

Authors	Sample	*N*	Contribution empowerment (R^2) to:		
			Perf.[a]	Satisf.	OC
Spreitzer, 1995	Mid-level employees industrial organization	393	.07***	-	-
Spreitzer, Kizilos & Nason, 1997	Mid-level employees industrial organization	393	.06***	.14***	-
Spreitzer, Kizilos & Nason, 1997	Lower-level employees insurance company	128	-	.40***	-
Kraimer, Seibert & Liden, 1999	Nursing staff community hospital	160	-	-	.30***
Liden, Wayne & Sparrowe, 2000	Lowel-level employees service organization	337	.06***	.42***	.40***

Notes: a. Perf. = Employee Performance / Satisf. = Job Satisfaction / OC = Organizational Commitment.

***<.001

TABLE 2

Unique explained variance of job satisfaction by empowerment dimensions

Authors	Sample	N	Contribution empowerment dimensions to Performance $\Delta R^{2\,b}$			
			Mean.[a]	Comp.	Selfdet.	Impact
Spreitzer, 1995	Mid-level employees industrial organization	393	n.s.	.03***	n.s.	.03***
Spreitzer, Kizilos & Nason, 1997	Mid-level employees industrial organization	393	n.s.	.02**	n.s.	.02*
Spreitzer, Kizilos & Nason, 1997	Lower-level employees insurance company	128	-	-	-	-
Kraimer, Seibert & Liden, 1999	Nursing staff community hospital	160	-	-	-	-
Liden, Wayne & Sparrowe, 2000	Lowel-level employees service organization	337	n.s.	.02**	n.s.	.01[†]

Notes: a. Mean. = Meaning / Comp. = Competence / Selfdet. = Self-determination.
    b. The change in R^2 indicates the incremental variance in the performance outcome beyond that explained by the other three dimensions in a hierarchical regression analysis.

   * <.05
  ** <.01
 *** <.001
  [†] = .051