Managerial Use of Power Bases in a Model of Managerial Empowerment Practices and Employee Psychological Empowerment

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Abstract

This paper explores the potentially central role that managers play in a model of empowerment. Issues of organizational goal accomplishment and employee trust often plague application of empowerment practices, and managers likely play a vital role in the successful implementation of empowerment. In this study, managerial use of power bases (reward, expert, referent, legitimate, coercive) was proposed to impact the relationship between managerial empowerment practices and employee psychological empowerment. We found a positive relationship between empowerment practices and psychological empowerment. Managerial use of power bases (as perceived by subordinates) was related to empowerment practices and psychological empowerment. Finally, managerial use of power bases fully mediated the relationship between managerial empowerment practices and employee psychological empowerment. We call for further research into the managerial use of power bases in developing a more complete model of empowerment.

Keywords

behavior management, leadership behavior, organizational behavior

Over the past two decades, the concept of empowerment has gradually gained status both as a practical tool for managers to engage the talents and motivation of their staff to achieve better results and as a research variable that can add to the organizational literature (Blanchard, Carlos, & Randolph, 2001; Block, 1987; Choi, 2006; Houghton & Yoho, 2005; Quinn & Spreitzer, 1997; Randolph, 1995; Spreitzer, 1995; Zhu, May, & Avolio, 2004). Recently, research by Seibert, Silver, and Randolph (2004) has pointed to the potentially central role that managers play in the empowerment that employees perceive. The current research is designed to begin exploration of this role, by analyzing the managerial use of power bases in a model of "managerial empowerment practices" and "employee psychological empowerment."

Early thinking viewed the concept of empowerment as a means for creating increased individual motivation through the delegation of authority to the lowest level in the organization where a competent decision can be made (Conger & Kanungo, 1988; Hodgetts, 1996; Thomas & Velthouse, 1990). Spreitzer (1995), however, argued that what she termed *psychological empowerment* is much more than just employee motivation—including aspects such as the meaning of work, a feeling of competence, self-determination, and a sense of having an impact. She expanded the focus to the feelings of empowerment that people have and argued that many factors go into the successful creation of employee psychological empowerment. For example, organizational structures, policies, and practices play a key role in creating an "empowerment context" wherein people can be empowered (Block, 1987; Conger & Kanungo, 1988; Kanter, 1989; Lawler, Mohrman, & Ledford, 1992; Liden & Tewksbury, 1995; Spreitzer, 1996; Thomas & Velthouse, 1990). However, to have an impact on employee motivation, the empowerment context must be perceived by employees and must prompt psychological reactions in employees to yield employee psychological empowerment (Arad & Drasgow, 1994; Quinn & Spreitzer, 1997; Swift & Levine, 1987). This perspective suggests that empowerment in organizations is a complex phenomenon, with managerial structures and practices influencing individuals' attitudes and behaviors.

One could argue that empowerment is simply another management tool that only motivates employees to work harder to achieve goals for the organization. Indeed, recent research has shown that empowered employees can achieve more for the organization (Blanchard et al., 2001; Seibert et al., 2004), but Spreitzer (1995) argues convincingly that

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employees also benefit from working in an empowered context. They experience a greater sense of meaning, impact, competence, and self-determination. To understand this point of contention, it is critical to remember that the concept of empowerment is to be applied within an organizational setting. Organizations have goals to be achieved, and empowerment is a tool to that end. According to Quinn and Spreitzer (1997), about half of the managers in their study defined empowerment as delegation within a clear set of boundaries, a position that concurs with the interview of Steve Kerr at General Electric conducted by Hodgetts (1996). The other half of the managers in the Quinn and Spreitzer study believed that empowerment is about risk taking, growth, and change—empowerment to them meant trusting people and tolerating imperfections. In their book on empowerment, Blanchard et al. (2001) argue that these two positions are not mutually exclusive. Indeed, empowerment does involve delegation of authority, but it also involves risk taking, growth, change, and trust of employees. A recent article by Tuuli (2010) makes this same point in describing how empowerment is a valuable tool for use in construction projects, where control is essential for achieving project goals. Certainly, it has been shown that clear goals for employees relate to improved motivation and results (Locke, 1986), and as we will later explore, Blanchard et al. (2001) argue that clear boundaries (goals) are an essential element in creating an empowerment context for employees.

Still, even if we can understand how goals and other boundaries can be used to set up the context for empowerment, we have to ask if employees will feel empowered. Recent research by Seibert et al. (2004) has demonstrated that the empowerment context created via managerial empowerment practices is empirically and conceptually distinct from the psychological empowerment that employees experience (Spreitzer, 1995). Furthermore, their research indicated that managerial empowerment practices are positively related to employee psychological empowerment. Thus, it is not simply a matter of a manager engaging in empowerment practices; employees are a partner in the equation, as well. As noted earlier, Seibert et al. (2004) suggested that various aspects or actions of managers may well play a role in employees' felt sense of psychological empowerment.

Many years ago, Blau (1964) argued that the relationship between managers and their employees is vital in any understanding of organizational behavior. In support of this contention, a lengthy stream of research into leader–member exchange (LMX) has repeatedly found that the positive, beneficial actions that managers direct toward their employees create high-quality exchange relationships, which in turn tend to obligate employees to reciprocate in positive ways (Chen, Lam, & Zhong, 2007; Gerstner & Day, 1997; Graen, 2004; Graen & Uhl-Bien, 1995; Scandura & Pellegrini,

2008). Additionally, other research has suggested that transformational leadership is essential for creating an empowered context (Smith, Montagno, & Kuzmenko, 2004; Tucker & Russell, 2004). Clearly, there are aspects about managers that are essential for us to understand if we are to understand empowerment in organizations. The manager–employee relationship is central to the development of a context of empowerment. Hence, it is important that we begin to explore in greater detail manager–employee relationships in our efforts to understand empowerment in organizations. One aspect that deserves attention is the use of power in the manager–employee relationship.

Often, managers will talk about empowering their employees, but employees feel that they are not assisted or supported in this change. At the heart of the matter is the feeling by some people that power is a zero-sum game; still others view power as expandable (Tjosvold, 2006). Randolph (1995) has argued that employees already have power in their experience, knowledge, and internal motivation and that empowerment is a matter of releasing this power. One way to view this issue is to think in terms of empowerment practices enhancing employees' need for power and their willingness to use their power (Choi, 2006). Furthermore, if employees have a sense of felt trustworthiness from their managers, they will exhibit better work attitudes and performance (Lester & Brower, 2003). In the context of empowerment, Randolph (2000) has argued that when managers share vital information with their employees in an effort to empower them, then employees will feel a sense of trust, which enhances their willingness to use their knowledge, experience, and motivation in the pursuit of organizational goals. This relationship was supported in a study by Scandura and Pellegrini (2008), which reported a positive relationship between LMX and subordinate trust. Basically, when managers share vital information with their employees and set clear goals for action, they are operating with no hidden agendas, and such a context is more likely to create psychological empowerment in employees.

Much of the forgoing discussion can be reduced to how managers use power while making the effort to empower their employees. Hence, it is logical to consider the power bases that managers draw on to influence their employees (French & Raven, 1959; Raven, 1993). Managers have a variety of positional and personal bases of power they can use. We need to understand, for example, how a manager's use of position and personal power bases would affect an employee's sense of psychological empowerment.

This general question will be at the heart of the current study, because a manager's use of power may very well help us better understand the dynamics of empowerment in organizations (e.g., Grimes, 1978; McClelland, 1975; Pfeffer, 1981). Some writers have suggested that leadership is the exercise of power, or that power is the "reason" why

employees comply with the manager's desires (Bass, 1990; Pfeffer, 1992). For example, Weber's (1947) classic typology of authority and Etzioni's (1961) typology of organizations, both present concepts pertaining to the bases of power—that is, the source of an individual's capacity to obtain performance or compliance from other individuals (French & Raven, 1959). Likewise, bases of power may be part of the equation that explains how employees gain a feeling of being empowered and begin to act in empowered ways, especially if we view power as expandable (Tjosvold, 2006).

The present study will begin to integrate power bases into the literature and research on empowerment. Indeed, employee psychological empowerment can be viewed as a sense of power that is felt by employees, and managers who can use various bases of power to gain influence with employees may also use these bases of power to empower people. If a manager is to influence employee behavior, and perhaps even feelings of empowerment, it would seem logical that he or she must draw on some form of power to have influence. For employees to feel empowered, they must feel a sense of power within themselves, and that power can be released by actions of the manager (Choi, 2006). It is, therefore, critical to begin to understand how managers' use of power bases affects the empowerment context in which employees act and the sense of psychological empowerment that employees feel.

Extending the work of Seibert et al. (2004), we will conceptualize managerial empowerment practices as the actions that managers can use to create a context in which employees can feel empowered and to promote a feeling of empowerment in employees. We will conceptualize employee psychological empowerment, as did Spreitzer (1995), as an individual's personal experience of empowerment that is based on cognitions about himself or herself in relation to his or her work role. Finally, drawing from French and Raven (1959), power bases will be defined as the sources from which a manager may draw his or her ability to induce forces on another person. We have hypothesized that managers' uses of power bases will mediate the relationship between managerial empowerment practices and employee psychological empowerment.

Key Variables in the Study

Managerial Empowerment Practices

There is a relatively high degree of agreement about the practices associated with empowerment (Bennis & Nanus, 1985; Blanchard, Carlos, & Randolph, 1999; Block, 1987; Kanter, 1989). Based on this literature, and extensive experience with a set of organizations implementing an empowerment strategy, Blanchard and his colleagues (Blanchard,

Carlos, & Randolph, 1995; Randolph, 1995) identified three key managerial practices associated with empowerment: (1) sharing information, (2) creating autonomy through boundaries, and (3) building team accountability. *Sharing information* involves managers providing potentially sensitive organizational information on costs, productivity, quality, and financial performance to employees. *Creating autonomy through boundaries* refers to managerial practices that encourage autonomous action, including the development of a clear vision, and clarity regarding goals, work procedures, and areas of responsibility. *Building team accountability* involves managers developing teams that are the locus of decision-making authority and performance accountability in the organization. These three practices constitute the dimensions of the empowerment construct used in this study.

Employee Psychological Empowerment

Employee psychological empowerment has been defined as an individual's subjective experience of empowerment based on cognitions about oneself in relation to one's work role (Spreitzer, 1995). Psychological empowerment is composed of four cognitions: meaning, competence, self-determination, and impact (Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990). *Meaning* refers to how an individual values a work goal judged in terms of that individual's own values or standards. *Competence* is an individual's belief in his or her capability to successfully perform a given task or activity. *Self-determination* is the individual's sense of choice over activities and work methods. Finally, *impact* is the degree to which the individual feels capable of influencing organizational outcomes. These four cognitions constitute the dimensions of employee psychological empowerment used in this study.

Empowerment context and psychological empowerment are conceptually distinct in a variety of ways. Using the framework developed by Klein, Conn, Smith, and Sorra (2001), we can distinguish between the two empowerment constructs in terms of referents, content, and focus. Empowerment context explains the referents; it refers to the type of environment managers try to create using managerial empowerment practices—in this study, as assessed by the manager's perception to avoid same-source bias. On the other hand, psychological empowerment explains the content—it is the perception an employee has about his or her feelings of being empowered in the work role (Spreitzer, 1995, 1996; Thomas & Velthouse, 1990). The two constructs differ in terms of their focus. Empowerment context focuses on the factors of the situation in which people work, whereas psychological empowerment focuses on a subjective assessment of how people feel as they perform their work (Spreitzer, 1996; Thomas & Velthouse, 1990).

Power Bases

The power–influence conceptualization advanced by French and Raven (1959) has proven to be both popular and robust (Cobb, 1980; Price, 1972; Raven, 1992, 1993), as evidenced by its nearly universal inclusion in managerial texts. French and Raven (1959) asserted that the power bases that managers can use to influence employees include three types of position power: (1) positive control of sanctions (*reward* power), (2) negative control of sanctions (*coercive* power), and (3) norms that legitimize the exercise of power (*legitimate* power), plus two types of personal power—(a) respect accorded because of knowledge or skill (*expert* power) and (b) personal identification with and desire to emulate the leader (*referent* power). Subsequent work by Raven, Schwarzwald, and Koslowsky (1998) further explored various bases of power, but as yet there does not appear to be a consensus on power bases beyond the five stated above. Thus, these five bases of power constitute the dimensions of managerial power bases used in this study.

Hypotheses

Empowerment Context and Psychological Empowerment

Research by Seibert et al. (2004) has demonstrated a significant relationship between empowerment context and psychological empowerment. Building on that research, the current study will again demonstrate that this relationship holds. Examination of the specific dimensions of managerial empowerment practices provides the basis for this relationship. For example, when managers work to create a clear vision and well-defined goals, plus specify roles and procedures, they are defining the "creating autonomy through boundaries" dimension of empowerment practices. Such managerial actions define the boundaries within which employees can exercise autonomous action and, as such, should enhance greater employee feelings of psychological empowerment (Graen & Uhl-Bien, 1995; Hackman & Oldham, 1980; Locke, 1986; Reinertsen, 1999). The "sharing information" dimension of empowerment is defined by managers' broad sharing of organizational, operational, and performance information. Such managerial actions should lead individual employees to an enhanced sense of psychological empowerment because they understand what needs to be done and can use their competence to have an impact (Bandura, 1982; Gist & Mitchell, 1992). Furthermore, sharing information appears to be important in dispelling the distrust that is so common in organizational settings (Keyton & Smith, 2009; Randolph, 2000). The "building team accountability" dimension of

managerial empowerment practices involves reliance on team authority to carry out a broad range of tasks, team training, and team accountability for work outcomes. Managerial actions that promote team accountability should enhance individuals' feelings of psychological empowerment because they will feel a greater sense of power as a team (Kirkman & Rosen, 1999; Liden & Tewksbury, 1995; Seibert et al., 2004). Hence, taken together, managerial empowerment practices should relate to employee psychological empowerment, and we therefore propose the following hypothesis:

> *Hypothesis 1:* Managerial empowerment practices and employee psychological empowerment are positively related.

Managerial Empowerment Practices and Managerial Use of Power Bases

If a manager makes attempts to create a context for empowerment of employees, a number of changes will have to occur if they are to affect the empowerment perceptions of employees. Although a manager may engage in actions that are intended to create a context in which people feel empowered—share information, declare boundaries for autonomous action by employees, and develop teams to take on responsibility—one clear measure of the impact of these actions will be how employees perceive the manager to be using the bases of power. Empowerment and use of power are clearly tied together in important ways that must be understood. Yet to date, we are aware of no research into this important issue.

Numerous questions can be raised about the connections between empowerment practices and the use of power bases. For example, if a manager is attempting to employ managerial empowerment practices but is still relying heavily on coercive and legitimate bases of position power, employees will receive mixed messages about the delegation of authority that is supposed to accompany empowerment (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). A manager who is trying to delegate authority would not want to rely on coercion to get people to take on additional responsibility, nor would the manager want to exert legitimate power when trying to reduce employee reliance on the manager. But if the manager is perceived to be making effective use of reward power to appreciate people who are taking on more responsibility and doing their work well and in an empowered fashion, that should be viewed positively, because people are being rewarded for taking action and being empowered to make decisions (Locke, 1986).

What can we say about the use of personal bases of power? Will a manager who is trying to create an empowerment context by using managerial empowerment practices

want to be perceived as making more or less use of personal power bases such as expert and referent power? It would seem logical that managers who want to empower employees would want to be perceived as relying more on personal power than position power to influence people. Indeed, when a manager shares information and sets clear goals and roles, the manager would likely be perceived to be making more use of expert power. Managers who build autonomous teams might be perceived as using referent power as they are respecting the talents of their team members and treating them more as equals in decision-making situations (Etzioni, 1961). Clearly, these relationships need to be studied. Hence, we propose the following exploratory hypothesis:

> *Hypothesis 2:* Managerial empowerment practices are significantly related to managerial use of power bases.
>> *Hypothesis 2a:* Managerial use of reward, expert, and referent power bases is positively related to the use of managerial empowerment practices.
>> *Hypothesis 2b:* Managerial use of coercive and legitimate power bases is negatively related to the use of managerial empowerment practices.

Power Bases, Managerial Empowerment Practices, and Their Relationship to Employee Psychological Empowerment

To date, the literature has not dealt effectively with the role of power in the move to create empowerment and the felt sense of employee psychological empowerment. Clearly, there must be links among these variables, since empowerment has at least partially been defined as delegation of authority to the lowest level of the organization (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). For a manager to delegate, the manager must have power, and when authority for making decisions has been delegated, there has been a transfer of legitimate power from manager to employee. A widely held notion is that power and leadership are inextricably related, leading some writers to suggest that leadership is the exercise of power, or that power is the "reason" why employees comply with the manager's desires. For example, Weber's (1947) classic typology of authority and Etzioni's (1961) typology of organizations both present concepts pertaining to the bases of power—that is, the source of a person's capacity to obtain performance or compliance from other individuals. Hence, it seems clear that power and empowerment are also closely linked.

We have already hypothesized that managerial empowerment practices will be significantly related to managerial uses of power bases. Indeed, one might argue that this relationship is essential for an empowerment context to affect

employee psychological empowerment. In addition, it would seem logical for managerial use of power bases, as perceived by employees, to be an important predictor of perceptions of psychological empowerment. There is an inherent difference in power between managers and employees that may inhibit the empowerment of employees, and this power gap must be overcome. Trust must be enhanced if empowerment is to occur, and the utilization of hidden agendas must be reduced, if not eliminated. If a manager is not perceived to be using power bases that reduce the power gap and build trust (i.e., that are empowering), how can employees possibly feel a sense of psychological empowerment? Etzioni (1961) provides a framework for understanding employee responses to power that underscores the importance of power in creating a sense of psychological empowerment. His framework identifies four possible responses to a manager's use of power: (1) *calculative*, wherein the employee responds in ways that maximize the receipt of rewards and minimize the receipt of punishments; (2) *identification*, wherein the employee follows the requests of the manager because of admiration and respect for the manager; (3) *moral*, wherein the employee follows a manager's request because of a congruence between the request and the employee's values and priorities; and (4) *alienation*, wherein the employee responds in ways that are dysfunctional to the organization. Clearly, the *moral* response is what managers want when trying to create a culture of empowerment. Because of the exploratory nature of the current study, we have created a hypothesis for the overall set of variables, as follows:

> *Hypothesis 3:* Managerial use of power bases is related to employee psychological empowerment.
>> *Hypothesis 3a:* Managerial use of reward, expert, and referent power is positively related to employee psychological empowerment.
>> *Hypothesis 3b:* Managerial use of coercive and legitimate power is negatively related to employee psychological empowerment.

Furthermore, we argue that perceptions of managerial use of power bases will affect the relationship between managerial empowerment practices and employee psychological empowerment. Managers may act in good faith to create a context of empowerment by using managerial empowerment practices, but employees must perceive that managerial use of power bases is consistent with empowerment if they are to be psychologically empowered. Hence, our mediation hypothesis is as follows:

> *Hypothesis 4:* Managerial use of power bases mediates the relationship between managerial empowerment practices and employee psychological empowerment.

Method

Sampling Methodology

Managers in companies located in the mid-Atlantic region of the United States were asked to complete a questionnaire assessing the empowerment practices they use to create a context of empowerment for their employees. Matched employees were asked to complete an alternate questionnaire to assess their felt sense of psychological empowerment and their managers' use of power bases. Clearly, managers may intend to convey one thing with their managerial empowerment practices actions, but what employees perceive relative to the managerial use of power bases may ultimately influence the employees' perception of psychological empowerment. Hence, we collected data for the study from both managers and employees to avoid same-source bias and to allow us to distinguish managerial intentions from perceptions by the employees.

Research packets consisting of a cover letter, numbered and color-coded questionnaires (one for the employee, the other for the manager), and a return envelope were distributed and returned on a voluntary basis. Students in undergraduate business classes at a university where most students work full-time and attend school part-time (hence, average age is approximately 29 years) were the employees in our matched-pair sample and their direct supervisors were the managers. The students received no course credit for participating. The sample (with a 96% response rate) consisted of 195 employee–manager pairs representing a wide range of industries, including, for example, banking, military, aerospace, retail, and health care. The employee sample consisted of approximately 63% women, with an average age of 29.3 years and in their current position for an average of 4.7 years. The manager sample was almost evenly split according to gender, with an average age of 41.2 years and in their current position for an average of 8.9 years.

Questionnaires

Employee psychological empowerment. Spreitzer's (1995) psychological empowerment scale was used to assess employees' perceptions of their sense of empowerment—that is, to what extent do people feel empowered? This 12-item scale operationalizes Thomas and Velthouse's (1990) four-factor conceptualization of psychological empowerment: (1) *meaning* (e.g., "The work I do is very important to me"), (2) *competence* (e.g., "I am confident about my ability to do my job"), (3) *self-determination* (e.g., "I have significant autonomy in determining how I do my job"), and (4) *impact* (e.g., "My impact on what happens in my department is large"). Respondents rated each item based on a 5-point scale from 1 = *strongly disagree* to 5 = *strongly agree*. As Figure 1 shows results from a confirmatory factor analysis support the four subdimensions of
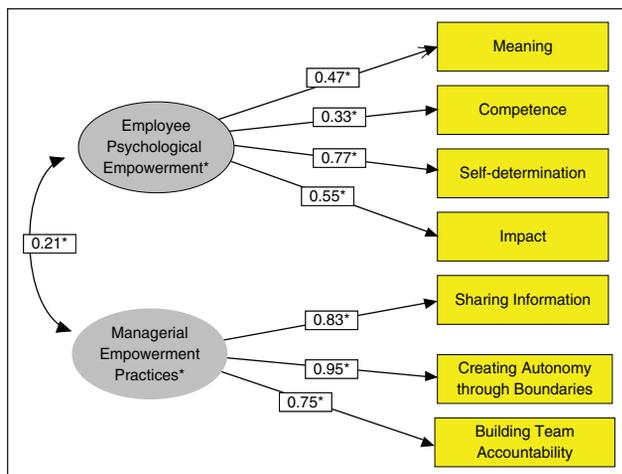
Figure 1. Results of second-order confirmatory factor analysis of employee psychological empowerment and managerial empowerment practices
Note: Standardized estimates are presented. χ^2 = 21.91, comparative fit index = .97, root mean square error of approximation = .07.
*p < .05.

psychological empowerment, and when the 3 items for each element of employee psychological empowerment were combined, the coefficient of reliability (alpha) for the four scales ranged from .85 to .92. When the 12 items are considered as a single measure of the psychological empowerment construct, a single factor adequately represents the construct (comparative fit index [CFI] = .98, α = .84).

Managerial empowerment practices. Following Blanchard et al. (1995), Randolph (1995), and Seibert et al. (2004), managerial empowerment practices were gauged by 30 items covering three dimensions of organizational empowerment: (1) sharing *information* (e.g., "We share information with others to help them understand the performance of our organization"), (2) *autonomy through boundaries* (e.g., "We have a shared set of values that guide our actions in this organization"), and (3) *team accountability* (e.g., "In our organization, teams now make many of the decisions that management used to make"). Measured on a scale from 1 = *almost never* to 6 = *almost always*, all items were phrased such that a high score reflected high empowerment. To assess the discriminant validity of managerial empowerment practices and employee psychological empowerment, a second-order confirmatory factor analysis was conducted—as had been performed in the study by Seibert et al. (2004). As shown in Figure 1, each empowerment factor loaded significantly and highly on its specified factor. When the 10 items for each element of managerial empowerment practices were combined, the coefficient of reliability (alpha) for the three scales ranged from .90 to .94. When the 30 items are considered as a single measure of the managerial empowerment practices construct, the single-factor fit of the model is adequate (CFI = .97, α = .96).

Table 1. Means, Standard Deviations, Correlations, and Reliabilities

Variables	Mean	SD	1	2	3	4	5	6	7
1. Managerial empowerment practices	3.98	0.92	(.96)						
2. Employee psychological empowerment	3.85	0.60	.23**	(.84)					
3. Coercive power	3.00	1.32	−.01	−.03	(.79)				
4. Reward power	4.17	1.44	.25**	.47**	.06	(.74)			
5. Legitimate power	4.47	1.25	.08	.16*	.57**	.39**	(.82)		
6. Expert power	5.05	1.24	.15*	.16*	−.12	.50**	.50**	(.85)	
7. Referent power	4.83	1.46	.14	.27**	−.35**	.43**	.64**	.69**	(.92)

Note: The range of *n* is 184-195. Scale reliabilities (coefficient alpha) are on the main diagonal.
*$p < .05$. **$p < .01$.

Finally, the confirmatory factor analysis of all empowerment practices and all psychological empowerment elements corroborates their conceptual distinctions (CFI = .97), and psychological empowerment and empowerment practices are correlated at $r = .21$, $p < .05$, suggesting a modest relationship.

Power bases. Five aspects of employee perceptions of managerial use of power bases were gauged with a 25-item questionnaire developed by Randolph and Kemery (1990). The items were designed to cover the five components of French and Raven's (1959) power bases. Respondents were asked to indicate on a scale of 1 = *to a very little extent* to 7 = *to a great extent* the degree to which their manager engages in certain activities reflective of the use of different power bases. The questions were phrased as follows: "To what extent does your manager . . . " use (1) *reward power* (e.g., " . . . influence how much of a pay increase others receive?"), (2) *coercive power* (e.g., " . . . reprimand people for making mistakes?"), (3) *legitimate power* (e.g., " . . .pull 'rank' in asking others to do a task?"), (4) *expert power* (e.g., " . . . know a great deal about how to do your and others' jobs?"), and (5) *referent power* (e.g., " . . . command people's trust and respect?").

A confirmatory factor analysis indicated that the fit of the five-factor power base structure (CFI = .83) fell just below the .90 standard suggested by Bentler (1990). However, given the exploratory nature of incorporating power bases into the model of empowerment, the results were deemed encouraging. Thus, items were combined to yield scores for each power base, and coefficient alphas for the five scales ranged from .74 to .92, each exceeding the .70 standard suggested by Nunnally (1978).

Results

Tests of the Hypotheses

Hypothesis 1. We hypothesized that managerial empowerment practices (based on manager perceptions) would be related positively with employee psychological empowerment (based on employee self-perceptions). The confirmatory factor analysis of the two constructs shown in Figure 1 supports the hypothesized relationship between the two variables, and the Pearson product–moment correlation shown in Table 1 ($r = .23$, $p < .01$) suggests that managers' perceptions of managerial empowerment practices do correlate with employee perceptions of psychological empowerment. Thus, the data provide support for Hypothesis 1.

Hypothesis 2. We predicted that managerial empowerment practices (based on manager perceptions) would be related to managerial use of five power bases (based on employee perceptions of the manager). Because there are five dependent variables under consideration, this test was conducted with multivariate multiple regression analysis (MMRA; Finn, 1974). The five power bases were regressed onto managerial empowerment practices, and the result was significant ($F = 2.46$, $p = .035$), thus supporting the conclusion that managerial empowerment practices are related to the set of power bases and providing support for Hypothesis 2. Parameter estimates from the MMRA, as shown in Table 2, indicate that managerial empowerment practices are significantly related to expert ($p = .043$) and reward ($p = .001$) power and marginally related to referent power ($p = .056$), thus providing support for Hypothesis 2a. The parameter estimates in Table 2 indicate that managerial empowerment practices are not related to legitimate and coercive power usage, thus providing no support for Hypothesis 2b.

Hypothesis 3. We hypothesized that managerial use of power bases (based on employee perceptions of the manager) would be related to employee psychological empowerment (based on employee self-perceptions). This hypothesis was tested by regressing employee perceptions of psychological empowerment onto the three power bases that were found to be predictors of managerial empowerment practices in the test of Hypothesis 2. As shown in Table 3, Model 1, the three power bases significantly predicted employee psychological empowerment ($R^2 = .245$,

Table 2. Multivariate Multiple Regression Analysis Results: Power Bases Regressed on Managerial Empowerment Practices

Criterion	F	p
Referent	3.70	.056
Expert	4.15	.043
Legitimate	1.11	.293
Reward	12.14	.001
Coercive	0.00	.948

Note: Wilks's Λ = .934, $F(5, 174)$ = 2.46, p = .035.

Table 3. Hierarchical Regression Analysis Results: Regressing Employee Psychological Empowerment on Power Bases and Managerial Empowerment Practices

Predictor	Regression Estimates for Employee Psychological Empowerment	
	Model 1	Model 2
Step 1		
Referent power	.218*	.215*
Reward power	.469***	.449***
Expert power	−.197*	−.199*
Step 2		
Empowerment Practices		.088
R^2	.245***	.252***
ΔR^2		.007

*p < .05. ***p < .001.

p < .001). An inspection of the individual power bases indicates that managers' use of reward (b = .469, p < .001), expert (b = −.197, p < .05), and referent (b = .218, p <.05) power is significantly related to employee psychological empowerment, thus providing support for Hypothesis 3a. The negative relationship between expert power and employee psychological empowerment is particularly noteworthy in that less use of expert power appears to result in more employee psychological empowerment. We should note that Hypothesis 3b was not tested since coercive and legitimate power bases were not related to managerial empowerment practices, as reported for Hypothesis 2b.

Hypothesis 4. To assess whether managerial use of power bases mediates the relationship between managerial empowerment practices and employee psychological empowerment, we used the four-step procedure described by Baron and Kenny (1986). The first step for assessing mediation involves regression of the dependent variable (employee psychological empowerment) on the independent variable (managerial empowerment practices) to demonstrate a direct relationship between them. This linkage was previously confirmed by the significant correlation (r = .23, p < .01) we found testing Hypothesis 1, as reported above. Thus, the first step of Baron and Kenny's approach is confirmed.

The second step in the mediation assessment is to show that the power bases (mediators) are related to managerial empowerment practices. This step involves regressing the mediator (power bases) onto the independent variable (managerial empowerment practices), which is identical to our Hypothesis 2 above. As reported in Table 2, we found a Wilks's Λ of .934, p < .05, which supports this relationship. Thus, the second step of Baron and Kenny's approach is confirmed. Furthermore, as reported above, parameter estimates from the MMRA indicated that managerial empowerment practices are significantly related to expert power (p = .043) and reward power (p = .001) and marginally related to referent power (p = .056).

The third step in the mediation assessment is to show a relationship between the dependent variable (employee

psychological empowerment) and the hypothesized mediators (managerial power bases). This step is identical to our Hypothesis 3. As reported above, the referent, reward, and expert power bases significantly predicted employee psychological empowerment, R^2 = .245, p <.001. Thus, the third step in Baron and Kenny's mediation test is confirmed.

The final step in testing for mediation is to estimate the relationship between managerial empowerment practices and employee psychological empowerment after accounting for the power bases (the mediators). We tested this with a stepwise multiple regression analysis in which employee psychological empowerment was predicted by the power bases and then the influence of managerial empowerment practices was assessed. If this analysis shows that the relationship between managerial empowerment practices and employee psychological empowerment is either diminished or eliminated entirely after accounting for managers' use of power bases, then the mediating influence of power bases may be inferred. The former case would indicate partial mediation, whereas the latter case would indicate full (or perfect) mediation. To assess this third test of mediation, we included only the power bases that demonstrated a relationship with managerial empowerment practices (i.e., referent, expert, and reward power). The results of this analysis are displayed in Table 3. In Model 1 of this analysis, we regressed employee psychological empowerment on the focal power bases (which is the third step of Baron and Kenny). As reported above, the obtained R^2 (.245) was significant (p < .001), and each of the power bases was significant. In Model 2, we added managerial empowerment practices to the equation. The R^2 change for this step (.007) was not significant. Therefore, since after accounting for the three power bases, the relationship between managerial empowerment practices and employee psychological

empowerment was eliminated, we conclude that these three power bases fully mediate the relationship between managerial empowerment practices and employee psychological empowerment and provide support for Hypothesis 4.

Discussion

Building on the work of Seibert et al. (2004), this study continued the exploration of the phenomenon of empowerment in organizations. As Seibert et al. noted, it is likely that the empowering practices of managers create the context for empowerment that eventually results in the perception of empowerment by employees. The current study explored in two ways the role that managers play in this process. First, we assessed empowerment practices from the perception of managers and assessed psychological empowerment from the perception of employees because these multiple-source perceptions may better represent the process of empowerment at the manager–employee level. Managers take action in the hope of creating a context for empowerment, but it is the employees who determine whether they feel empowered. Second, we explored employee perceptions of managerial use of power bases to influence the actions and perceptions of employees, because the way in which managers use power bases should influence how much employees feel empowered (Ciulla, 1996).

One key finding in this study is that employee perceptions of psychological empowerment are related to the manager's perceptions about the managerial empowerment practices the manager has used to create a context for empowerment. This finding is critical to the development of strategies of empowerment in organizations. If managers wish to influence the psychological empowerment perceptions of employees, this study suggests that they can work to create a context for empowerment based on sharing information, creating autonomy through boundaries, and building team accountability (Blanchard et al., 1999), for if managers feel that they have created a context for empowerment, there is evidence to support that employees will feel a sense of psychological empowerment—a sense of meaning, competence, self-determination, and impact (Spreitzer, 1995).

Our research delved more deeply into this relationship by beginning to explore the role played by various managerial behaviors. As Seibert et al. (2004) noted, it is likely that there are unique aspects of managerial behavior that influence employee perceptions of empowerment, and the inherent issues of power differential and trust must be addressed if employees are to feel truly empowered (Choi, 2006; Lester & Brower, 2003). Hence, a second key finding of our study can be stated in two parts. First, employee perceptions of managerial use of power bases (French & Raven, 1959) are related to manager perceptions of the context of empowerment that the managers have created. Second, and perhaps more important, employee perceptions of managerial use of power bases are related to employee perceptions of their sense of psychological empowerment. This finding means that managers must pay attention to which bases of power they rely on to influence employees if they want employees to feel empowered. They must use power in ways that engage the need for power in their employees (Choi, 2006).

Of particular note in these results is that employee perceptions of managerial use of power bases support the finding that for both managerial perceptions of empowerment practices and employee perceptions of psychological empowerment, the personal power bases of expert, reward, and referent are the key predictors. It appears that what managers try to do in terms of creating a context of empowerment is reflected in how employees perceive them to be using particular bases of power, and in turn, the perceptions of the use of power bases are reflected in the degree to which employees feel empowered.

Furthermore, it seems that the position bases of coercive and legitimate power have little role in the empowerment equation, since they exhibited no relationship with managerial empowerment practices. Coercive power exhibited no relationship with employee psychological empowerment, whereas legitimate power did exhibit a positive Pearson product–moment correlation with employee psychological empowerment, but it was not related in the regression analyses. These findings would appear logical in that using positional bases of power focuses attention on the manager and not on the employees; hence their use will not help employees feel empowered. Dependence on positional power bases will likely sustain the power differential between managers and employees rather than tap into the power that employees can employ to achieve organizational goals. However, if employees perceive that their manager is using reward power and referent power, this would create a climate wherein employees would be willing to take the risks associated with acting empowered, a conclusion consistent with the ideas of LMX theory (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Quinn & Spreitzer, 1997).

Reward power was positively related with managerial empowerment practices and employee psychological empowerment. Referent power exhibited a positive relationship with employee psychological empowerment and marginally with managerial empowerment practices. A very interesting finding relates to managerial use of expert power; it appears to be negatively related to employee perceptions of psychological empowerment, though this finding is confounded in that the Pearson product–moment correlation between expert power and managerial empowerment practices is positive. Certainly, the role of expert power in the empowerment equation deserves further study,

for it is possible that to the extent managers are perceived to use expert power, employees will feel less empowered. In other words, they may not feel free to use their own expert power to achieve organizational goals. This result is similar to the finding by Chen et al. (2007) that there is less of a relationship between LMX and negative feedback-seeking behavior when people feel a higher sense of empowerment. As they note, "Working in a team that encourages information sharing, team autonomy and shared responsibility, supervisors expect their subordinates to seek feedback, settle inquiries, and solve problems among themselves instead of going to the boss" (p. 209). In other words employees working in an empowered team will rely on their own expertise rather than on that of the manager, thus creating a negative relationship between the manager's use of expert power and the team members' feelings of empowerment.

Perhaps the most interesting finding of the study is the important role that was found for managerial use of power bases in the link between managerial empowerment practices and employee psychological empowerment. Indeed, these employee perceptions of managerial use of power bases fully mediated the relationship between managerial empowerment practices and employee psychological empowerment. The practical meaning of this finding is that although managers work to share information, set boundaries, and promote responsible teams (i.e., build a context of empowerment), they must be careful to rely on power bases that also support a context of empowerment—that is, rely on referent and reward power and downplay their use of expert power. Otherwise, their efforts to create empowerment will be minimized in the minds of the employees and thus threaten employee feelings of psychological empowerment.

Limitations and Future Research

There are several aspects of our study that, although viewed as limitations, also suggest areas for future study. Since ours is perhaps the first study of the role of managerial use of power bases in the development of a theory of empowerment, its exploratory nature suggested that we relax the usual .05 standard for interpreting statistical significance. For example, our analysis of the relationship between the entire set of power bases and managerial empowerment practices suggested only a marginal relationship with regard to referent power. Thus, future research should be conducted to delve more deeply into the relationship between power base use and managerial empowerment practices.

The true causal relationships among variables remain unclear from our findings. Although our study presumes a manager → employee direction of causality, it also seems plausible that employee reactions will affect manager perceptions and behavior. For example, employees who are not ready for empowerment would perhaps signal this to a manager in a variety of ways, and managers who are aware of this might react by using different influence strategies. Thus, future research might consider a different directional flow, including the possibility of reciprocal relationships. In addition, future research must include aspects of the individual to better understand why some people may feel empowered whereas others in the same situation do not.

Because of the nature of the sampling, our results should not be interpreted as applying to empowerment cultures in general or to a specific organizational culture. Although our manager–employee dyads represent a wide range of work contexts, each data pair comes from a different organizational setting. Because of the subjectivity inherent in perceptions, it follows that our results cannot be generalized to a specific organization's culture. Rather, our findings are perhaps more applicable to understanding manager–employee relationships. This raises some interesting options concerning empowerment. Is it best viewed as a dimension of an organization's culture, or is it best viewed within the context of manager–employee (i.e., dyadic) relationships? Is the latter a subset of the former? Hence, future research should focus more on the role of empowerment within the context of leader–follower relationships.

In conclusion, this study has shown that the inclusion of managerial use of power bases will be important in any model of empowerment. Our study, like the one by Seibert et al. (2004), confirms that managerial empowerment practices and employee psychological empowerment are related, but it suggests that managerial use of power bases is critical in understanding the nature of that relationship. Hence, we encourage further research into the role played by power base use in a model of empowerment.

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