



available at



# Employee empowerment leading to flexible role orientation: A disposition-based contingency framework

Amit Shukla

<sup>a</sup>  
\*, Shailendra Singh  
<sup>b</sup>, Himanshu Rai  
<sup>c</sup>, Abhijit Bhattacharya  
<sup>d</sup>

<sup>a</sup> *IME Department, IIT Kanpur, Kanpur, Uttar Pradesh, India*

<sup>b</sup> *Director, IIM Ranchi, Ranchi, Jharkhand, India*

<sup>c</sup> *HRM Area, IIM Lucknow, Lucknow, Uttar Pradesh, India*

<sup>d</sup> *Decision Sciences Area, IIM Lucknow, Lucknow, Uttar Pradesh, India*

Received 3 January 2016; revised form 1 August 2016; accepted 30 August 2018; Available online 5 September 2018

## KEYWORDS

Participative decision making;  
Job autonomy;  
Flexible role orientation;  
Psychological ownership;  
Locus of control;  
Role breadth self-efficacy;  
Moderated mediation

**Abstract** The paper investigates the effect of certain employee empowerment initiatives viz. participative decision making and job autonomy, in the development of flexible role orientation (FRO), which represents adoption of a broader perspective while defining one's job elements. Additionally, the role of psychological ownership and individual dispositions was also probed in the aforementioned relationship by testing a moderated mediated contingency framework. The hypothesised relationships were supported by empirical evidence obtained across three field studies conducted in service based organisations in India. Psychological ownership mediated the linkage between empowerment and FRO, whereas internal locus of control and role breadth self-efficacy acted as moderators.

© 2019 Published by Elsevier Ltd on behalf of Indian Institute of Management Bangalore. This is an open access article under the CC BY-NC-ND license. (

<http://creativecommons.org/licenses/by-nc-nd/4.0/>)

## Introduction

Modern organisations have witnessed a rapidly changing, uncertain and highly competitive business environment during the last couple of decades. These external factors have influenced the nature of human resource management

\* Corresponding author.

E-mail address: [skamit@iitk.ac.in](mailto:skamit@iitk.ac.in) (A. Shukla).

(HRM) and, lately, a new employment contract has emerged (Rousseau & Shperling, 2003; Tsui, Pearce, Porter, & Hite, 1995) that widely departs from traditional notions of exchange relationship between employer and employee. Organisations have gradually realised the importance of empowering their employees by providing them participation opportunities in decision making processes and autonomy (e.g. Jia, Shaw, Tsui, & Park, 2014; MacDuffie, 1995; Truss, Gratton, Hope-Hailey, McGovern, & Stiles, 1997). At the same time, employees are also expected to abandon restrictive views about their job (job myopia) or “that’s not my job” syndrome (Davis & Wacker 1987), and be willing to go beyond the rigid and formal job description whenever necessary. This attitude is called *flexible role orientation* (henceforth FRO) in the literature (Parker, Wall, & Jackson, 1997). Scholars believe that FRO and the resulting behaviours could be a source of competitive advantage for organisations (Parker, 2000) through human resource value chain (Mello, 2011: 8).

Realising the importance of a “generous” attitude towards the job, we aim to study how FRO develops in response to empowering HRM initiatives and individual dispositional characteristics. Empowering initiatives are operationalised as *participative decision making* (henceforth PDM) and *job autonomy* (henceforth AUTO), and are collectively termed as *employee empowerment initiatives* (henceforth EEs). Specifically, we test the relationships of the mentioned EEs with FRO through *psychological ownership* (henceforth PsyOwn), which is a positive mental state where an individual develops a sense of possessiveness for a particular target. Then, we investigate buffering impact of individual dispositional variables – *locus of control* (henceforth LOC) and *role breadth self-efficacy* (henceforth RBSE), on the relationships. Dispositional differences offer both challenges and opportunities to managers. On the one hand, they introduce subjectivity that prevents uniform outcomes in response to HR initiatives. On the other, certain malleable dispositions offer opportunity to managers for correction with proper supervision and training interventions.

This study makes at least three contributions. We submit that it is the first study in the Indian setup to test the proposed relationships, which are topical and relevant to the modern workplace. Next, support for intermediary psychological process upholds the fundamental tenet of cognitive psychology and sensitises managers about “humane” ways of implementing HR policies. Finally, by investigating the role of dispositions, the study offers managers some prescriptive guidelines on designing training programmes.

The present empirical work is grounded in the Indian service sector as it is the biggest contributor in terms of Gross Value Added (GVA) (66.1%) and employment (28.1%) as per

[Economic Survey Report \(2016\)](#). Thus, results are expected to reflect the current business trend and are applicable to a larger population.

## Theory and hypotheses

The changing business environment has had a cascading impact on employment relationships during the last few decades. Of late, the emerging relationship focusses on maximising organisational flexibility and simultaneously improving employee performance (Tsui et al., 1995).

For instance, empowering HR initiatives (such as participation opportunities and delegation of responsibilities) are known to promote employee creativity (Jia et al., 2014).

In fact, many Indian organisations deploy employee empowerment as a retention strategy as it creates a favourable environment, fosters supportive working relations and helps employees develop leadership skills (Budhwar & Varma, 2011).

As a departure from the traditional Tayloristic notion of the workplace, the idea of employee empowerment through participation has gained widespread recognition among researchers (Mohrman & Cohen, 1995; Rousseau & Shperling, 2003).

Modern management theorists argue against the suitability of the traditional Tayloristic vision about employees (mere passive cost centres), and call for humanistic vision that breeds empowerment and allows for active participation from employees (cf. Aktouf, 1992).

Emphasising its importance in improving productivity, the author suggests that “Real and concrete participation in management, in profits, in planning; workers’ greater autonomy and polyvalence; and workers’ adequate security are now necessary to end the stagnation of productivity” (Aktouf, 1992: 422).

Such a participative environment bodes well for overall job performance in varied contexts (Griffin, Neal, & Parker, 2007).

For instance, the best practice HRM model advocates progressive, high-performance, high-commitment, high-involvement and human-capital-enhancing practices (Edgar & Geare, 2005; Kuvaas, 2008).

So, employees are expected to be deeply involved in organisational activities and move beyond the mere transactional notion about job (“I work in return for salary and benefits”) or what is termed as “job myopia” or “that’s not my job” syndrome (Davis & Wacker, 1987). In fact, the inherent dynamism of modern work organisations makes it desirable that employees get more intensely

involved in a wider span of activities through concerted efforts by all the stakeholders (

Butts, Vandenberg, DeJoy, Schaffer, & Wilson, 2009). To this end, development of FRO could be a way forward.

Flexible role orientation is described as the mindset of employees wherein they feel ownership of the output and take initiatives in solving a broad range of problems (Parker, 2000; Parker et al., 1997). It represents the generous attitude of employees in defining their job scope (

Parker et al., 1997) and is concerned with the breadth of experienced responsibility, or how far one's "psychological" role extends beyond achieving basic technical goals (

Parker, Williams, & Turner, 2006: 639). The concept gained currency in recent times as it indicated flexibility in defining one's roles and subsequent course of action (

Parker, 2007). While highlighting its importance, Parker (2000) suggested that a mere fulfilment of a fixed set of prescribed roles was insufficient to gain competitive advantage, and FRO was a key requisite in this direction.

The uniqueness of FRO has been emphasised in the Organisational Behaviour (OB) literature and the concept holds distinctiveness amid other similar concepts, such as organisational citizenship behaviour or OCB (

Parker, 2000), and proactive work behaviour. Although both FRO and OCB result from a proactive motivational state, these are conceptualised as attitude and behaviour respectively. Also, while FRO broadens job definition within the ambit of core job activities, OCBs are quintessentially volitional extra-job behaviour (

Parker, 2000). For example, willingness towards job rotation represents FRO but demonstrating courtesy and punctuality are considered OCBs. Proactive work behaviour (

Frese & Fay, 2001) is another construct related to FRO and can be described as behavioural outcome of the latter.

As far as outcomes are concerned, FRO is found to be a better predictor of performance in comparison to other job attitudes like job satisfaction (

Parker, 2007). Employees high on FRO are more likely to relinquish rigidity in defining their job elements as laid out in the job description and are ready to undertake related peripheral tasks. It is empirically shown that employees with FRO extend the range of their job behaviour (

Benner, Tanner, & Chesla, 1996). Such employees are more likely to demonstrate discretionary voice behaviour by disseminating organisationally benevolent ideas (

Ng & Feldman, 2015). It is equally incumbent on management to facilitate development of FRO in its employees. As suggested by

Morrison (1994: 1563), "an important management function may be to reduce the perception 'that's not my job' with respect to activities that are critical but not formally enforced".

In the present work, we propose that (i) EEIs (i.e. PDM and AUTO) foster FRO through PsyOwn, and (ii) individual dispositional contingencies (i.e. LOC and RBSE) play a role therein. Participative decision making is a collaborative decision making process and is defined as the "process of involving employees in decisions typically made by managers and usually involves the cascade of control and decision-making responsibility from managers to employees" (

Russ, 2011: 827). The results of previous studies confirmed positive association of PDM with performance (

Wagner, 1994) and job satisfaction (

Kim, 2002). Scholars also studied the effect of alteration in job dimensions in causing empowerment (

Spector, 1986). The widely cited job characteristic model (

Hackman & Oldham, 1976) underlines AUTO as the most important characteristic of job design (

Breaugh & Becker, 1987) to impart control to employees. Job autonomy is defined as "the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and determining the procedures to be used in carrying it out" (

Hackman & Oldham, 1980: 162).

The proposed mediator, PsyOwn is defined as a state of mind in which individuals feel as though the target of ownership (material or immaterial in nature) or a piece of it is "theirs" (

Pierce, Kostova, & Dirks, 2001). Psychological ownership is considered as a positive organisational behaviour concept as, among other characteristics, it is a state-like construct and open to change and development (

Luthans & Avolio, 2009). It develops by the triggering of one or more of the three routes (i) by gaining control (ii) by gaining knowledge and (iii) by making investment (of physical, cognitive and psychic energies) into the target (

Pierce et al., 2001). It is accepted that PsyOwn leads to favourable assessment of organisational inputs and is linked to many desirable employee attitudes and behaviour (

van Dyne & Pierce, 2004). Also, recent studies find strong association between PsyOwn and entrepreneurial behaviour (e.g.

Mustafa, Martin, & Hughes, 2016).

## Rationale behind inclusion of PDM and AUTO as EEIs

In this paper, we have included PDM and AUTO as facets of empowerment as these constructs encompass all the four dimensions of psychological empowerment, i.e. meaning, competence, self-determination and impact (Spreitzer, Kizilos, & Nason, 1997). Job autonomy is linked to a sense of competence and self-determination while PDM is associated with a sense of impact and meaningfulness at work through participative discussions and sharing of ideas. Second, both PDM and AUTO have likely association with FRO as indicated in the literature. Drawing on self-determination theory (Ryan & Deci, 2000), we submit that employees become intrinsically motivated and endorse higher level of work activities when they enjoy job related autonomy (Deci & Ryan, 2008). Likewise, PDM also cultivates a sense of self-determination that intrinsically motivates employees, encourages self-initiation (Gagne, 2003) and internalised commitment to the task (Thomas & Velthouse, 1990). The ensuing sense of empowerment is likely to develop “experienced responsibility” (Parker, Wall, & Cordery, 2001) and proactive approach to work (Spreitzer et al., 1997) and, in turn, FRO.

## EEIs-FRO linkage: Mediation by psychological ownership

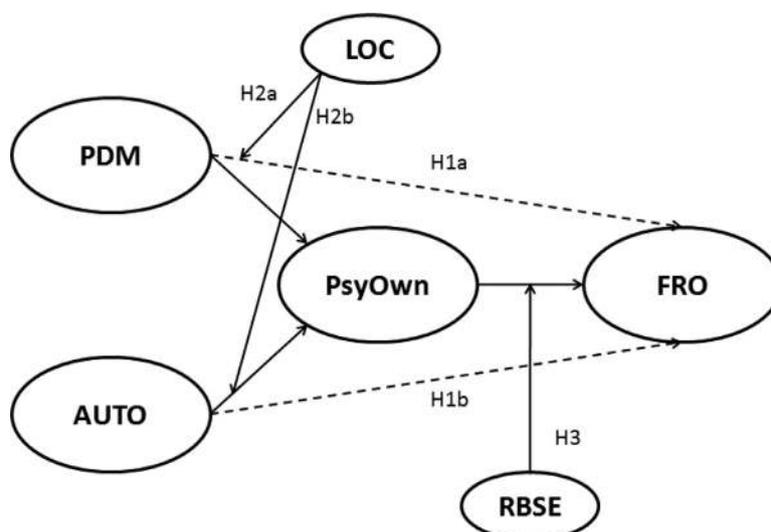
Our interest behind this relationship originated from historical observations related to HRM practices and their purported outcomes. Soon after the advent of modern HRM, it was realised that the causality between various HR initiatives and their expected outcomes was, at best, uncertain. Based on their findings, scholars held divergent views over this issue; a section believed in causality (e.g. Butts et al., 2009; Huselid, 1995) while others did not (e.g. Boselie, Dietz, & Boon, 2005; Guest, 2011). Subsequent studies, aiming to resolve this seeming dichotomy, suggested that the effectiveness of HR initiatives increased if it strengthened the employee-organisational linkage by triggering internal psychological processes (Godard, 2004; Kuvaas, 2008). Psychological ownership is considered to be one of the strongest forms of employee-organisational linkage (Sparrow & Cooper, 2003). Also, the role of affect and cognition in manifestation of employee outcomes is widely acknowledged (e.g.

Bowen & Ostroff, 2004; Edgar & Geare, 2005; Hanks, 2013). For instance, Pierce, Rubinfeld, and Morgan (1991) suggested that various employee ownership schemes would be beneficial if they caused psychologically sensed ownership (later termed as PsyOwn). Previous studies support the mediating potential of PsyOwn as it links different organisational inputs to employee attitudes and behaviours (e.g. Han, Chiang, & Chang, 2010; Park, Song, Yoon, & Kim, 2013; Shukla & Singh, 2014).

Next, we contend that EEIs are likely to develop PsyOwn by instilling a sense of control (Rudmin & Berry, 1987), which is one of the three routes leading to PsyOwn (Pierce et al., 2001). Scholars (e.g. Sashkin, 1976) have emphasised the importance of perceived control in job (particularly AUTO and PDM) in developing ownership feelings. Pierce and Rodgers (2004:599) quoted a survey report from *Ownership Associates* saying, “employees with a sense of autonomy, of participation, and of influence tend to feel more like owners than do those individuals with only an equity share”. The reverse is also true as lack of control leads to feeling of “not-self” that reduces feeling of ownership at work (McClelland, 1951). The linkages of PDM and AUTO with PsyOwn have been empirically validated in previous studies as well. O’Driscoll, Pierce, and Coghlan (2006) reported correlations in the range of 0.27–0.38 (all at  $p < 0.05$ ) between PDM and different forms of PsyOwn. Similarly, Mayhew, Ashkanasy, Bramble, and Gardner (2007) found a positive relationship between AUTO and job-based ( $\beta = 0.37, p < 0.01$ ), and organisation-based ( $\beta = 0.31, p < 0.05$ ) PsyOwn.

From another perspective, PDM and AUTO also enhance employees’ work knowledge by providing them the rationale behind organisational decisions and opportunities for experimentation. Perception of control and knowledge about work are key precursors to PsyOwn (Pierce et al., 2001) and to the development of broader role orientation (Zammuto & O’Connor, 1992). Felt state of ownership is known to engender positive affectivity towards the target (Shu & Peck, 2011) which leads to broader categorisation of job tasks (Bachrach & Jex, 2000). Finally, PsyOwn inculcates feeling of ownership for workplace problems, that leads to the development of role orientation (Parker, 2007). So we propose:

**Hypothesis 1a. (H1a):** The relationship between PDM and FRO will be mediated by PsyOwn.



**Figure 1** Theoretical framework and hypotheses.

PDM: Participative Decision Making; AUTO: Job Autonomy; LOC: Locus of Control; PsyOwn: Psychological Ownership; FRO: Flexible Role Orientation; RBSE: Role Breadth Self Efficacy.

**Hypothesis 1b. (H1b):** The relationship between AUTO and FRO will be mediated by PsyOwn.

### Moderation by individual dispositions

We propose that individual dispositions such as LOC and RBSE are potential moderators of the aforementioned relationships. Scholars found internal LOC played a significant role in determining psychological empowerment (Jha & Nair, 2006). Internal LOC is an individual disposition which reflects the firmly held belief that one is responsible for the consequences of one's actions. According to Rotter (1966: 1), internal LOC denotes "the extent to which individuals attribute personal control to outcomes that affect them". External locus of control means the role of destiny and other external factors are given preponderance in determining the outcomes.

Role breadth self-efficacy refers to self-perceived ability to successfully perform proactive behaviour under a wide range of organisational contexts. In the terms of Parker (1998: 835), "RBSE concerns the extent to which people feel confident that they are able to carry out a broader and more proactive role, beyond traditional prescribed technical requirements". Role breadth self-efficacy can be differentiated from the related concept of self-efficacy as the former is a judgment about capability across a particular set of proactive interpersonal and integrative tasks whereas the latter is a judgment about specific task capability (Parker, 2000). Role breadth self-efficacy also enhances proactive tendencies of employees (Den Hartog & Belschak, 2012).

### Moderation of EEs-PsyOwn linkage by LOC

Literature suggests that "internals" (high in internal locus of control) derive motivation for affirmative action from within, which lowers their dependence on organisational stimulus. For example,

Aube, Rousseau, and Morin (2007) found that internal LOC attenuated the relationship between perceived organisational support and organisational commitment. In many other studies, scholars have reported the buffering effect of internal LOC on turnover intentions (

Ng & Butts, 2009), burnout due to autocratic leadership style (

De Hoogh & Den Hartog, 2009), and counterproductive behaviour (

Sprung & Jex, 2012). In general, internal LOC minimises the negative impact of lack of favourable organisational inputs in the development of positive workplace attitudes. Internals perceive less of a role of organisational environment in determining the course of outcomes related to them (

Chiu, Lin, Tsai, & Hsiao, 2005) and are more satisfied and motivated irrespective of the organisational inputs (

Spector, 1982). They perceive a greater sense of control and attribute it to their actions rather than generosity and benevolence of the management (

Harvey, Barnes, Sperry, & Harris, 1974). The sense of control is relatively independent of formally accorded participation opportunities or job autonomy. Hence, we expect similar attenuation

**Table 1** Demographic details of the participants.

Variable	Levels	No. of observations	%
<i>Gender</i>	Male	577	70
	Female	247	30
<i>Age group</i>	< 25	136	16
	25-30	268	33
	30-35	247	30
	35-45	137	17
	> 45	36	4
<i>Service sector</i>	Telecom	234	28
	Information technology	338	41
	Banking	252	31
<i>Hierarchy</i>	Junior	464	56
	Mid	360	44
<i>Tenure</i>	< 1/2 year	52	6
	1/2-2 years	234	28
	2-5 years	292	36
	5-10 years	132	16
	> 5 years	114	14
<i>(N = 824)</i>			

effect by internal LOC here and propose the following hypotheses.

**Hypothesis 2a. (H2a):** The relationship between PDM and PsyOwn will be moderated by internal LOC such that the relationship weakens with higher internal LOC.

**Hypothesis 2b. (H2b):** The relationship between AUTO and PsyOwn will be moderated by internal LOC such that the relationship weakens with higher internal LOC.

### Moderation of PsyOwn-FRO linkage by RBSE

We propose that a sense of ownership is a necessary but not sufficient condition for development of FRO, and that the feeling of being capable of performing peripheral and

related integrative tasks matters equally. Role breadth self-efficacy represents this sense of self-efficacy to perform proactive behaviours successfully across a range of related role activities (

Parker, 2000). Hence, RBSE is likely to determine the strength of proactive work attitude like FRO. Employees, high on self-belief, would require less encouragement to take initiatives (

Speier & Frese, 1997) to go an extra mile while defining their role. Literature also suggests that RBSE positively moderates employees' proactive behaviour (

Den Hartog & Belschak, 2012). Therefore, we contend that,

**Hypothesis 3. (H3):** The relationship between PsyOwn and FRO will be moderated by RBSE such that the relationship strengthens with higher RBSE.

The proposed model is presented in Fig. 1.

## Method

### Sample

The study was conducted in three reputable Indian service-based organisations with presence across the country. These organisations specialised in banking, telecom and software domains and had over 50,000 employees each. To undertake the survey, we identified three zones/offices for each of these organisations in consultation with their respective HR departments so as to obtain adequate geographical and hierarchical representation. Data were collected through onsite administration of questionnaire forms by making personal visits to the selected sites on pre-assigned dates. Employees were briefed about the purpose and confidentiality of this study to allay their apprehensions. Forms were distributed to junior and mid-level employees as per sampling frame (list of employees) provided by respective HR personnel, and were collected by

**Table 2** Descriptive statistics and zero order correlations.

	Mean	SD	Gender	Age	Hier	Tenure	PDM	AUTO	LOC	PsyOwn	FRO	RBSE
<i>Gender</i>	1.299	-										
<i>Age</i>	31.723	6.574	-0.197**									
<i>Hier</i>	1.437	-	-0.106**	0.474**								
<i>Tenure</i>	5.351	5.34	-0.220**	0.891**	0.348**							
<i>PDM</i>	4.182	0.775	-0.083*	0.030	0.052	0.051						
<i>AUTO</i>	4.261	0.809	-0.071*	-0.008	0.020	0.043	0.517**					
<i>LOC</i>	4.483	0.749	-0.027	-0.028	0.006	-0.022	-0.082*	-0.122**				
<i>PsyOwn</i>	4.405	0.726	-0.006	-0.010	0.032	0.027	0.508	0.491	0.367			

(continued)

**Table 3** Result of one-way ANOVA (Effect of sector variance on FRO).

Variable	Sample-wise descriptive statistics			ANOVA				Sig. of Levene statistic
	Sector (N)	Value (N)	SD	MS (B)	MS (W)	F (df)	Sig.	
FRO	Tel (234)	4.238	0.803	0.591	0.701	0.844 (2, 821)	0.430	0.127
	IT (338)	4.319	0.826					
	Bank (252)	4.247	0.881					

Note: FRO-Flexible role orientation; Tel-Telecom; N-Sample size; MS (B)-Mean square between; MS (W)-Mean square within; Sig.-Statistical significance.

**Table 4** Results of CFA for different measurement models.

Models	Indices			
	$\chi^2/df$	RMSEA	CFI	TLI
1-Factor (All items together)	30.83	0.190	0.73	0.71
5-Factor (PDM and AUTO together)	5.44	0.073	0.94	0.93
5-Factor (PsyOwn and FRO together)	6.83	0.084	0.92	0.91
6-Factor	3.85	0.059	0.96	0.95

Note: PDM-Participative decision making, AUTO-Job autonomy, FRO-Flexible role orientation; CFA-Confirmatory factor analysis.

re-visiting the sites a week later. Finally, 824 useful forms (response rate = 74.9%) were obtained post scrutiny, and the resulting data were used in further analyses.

## Measures

All the study variables were measured using self-reported 7-point Likert-type scales with anchors ranging from 1 (totally disagree) to 7 (totally agree). For all measures, higher scores corresponded to higher levels of the construct. A brief description about scales used in this study is provided below. Corresponding values of scale reliabilities (Cronbach's alpha) are indicated in parentheses.

### Job autonomy ( $\alpha = 0.877$ )

Job autonomy was measured by the 3-item scale developed by [Hackman and Oldham \(1980\)](#). A sample item is, "I can decide on my own how to go about doing my work."

### Participative decision making ( $\alpha = 0.897$ )

It was measured by the 5-item scale developed by [Siegel and Ruh \(1973\)](#). A sample item is, "In this organisation, I can participate in setting new company policies."

### Locus of control ( $\alpha = 0.749$ )

Internal locus of control was measured by the 4-item scale developed by [Giles \(1977\)](#). Sample of the item is "Usually I have control over the things that happen to me."

### Psychological ownership ( $\alpha_{\text{Affection}} = 0.852$ ,

$\alpha_{\text{Connectedness}} = 0.838$ ,  $\alpha_{\text{Obligation}} = 0.798$ )

Organisation based psychological ownership was measured by a new 12-item scale developed by the author of this paper ([Shukla & Singh, 2015](#)). This scale measures psychological ownership on three dimensions as *Affection*, *Connectedness* and *Obligation*. Present study ( $N = 824$ ) supported this second order three-factor structure with a good fit [ $\chi^2/df = 2.76$ , RMSEA = 0.046, CFI = 0.99, TLI = 0.99] (

[Hooper, Coughlan, & Mullen, 2008](#); [Hu & Bentler, 1999](#)). Samples of the item include, "I consider problems at workplace as my own" and "I like to represent my organisation at different forums."

### Role breadth self-efficacy ( $\alpha = 0.821$ )

Role breadth self-efficacy was measured by the 7-item scale developed by [Parker et al. \(2006\)](#) with as ample item such as, "I feel confident in designing new procedures for your work area."

**Table 5** Different models used for testing of hypotheses.

Models	Description
Model 1	Only indirect paths from PDM and AUTO to FRO through PsyOwn
Model 2	Direct paths from PDM and AUTO to FRO in addition to Model 1
Model 3	Paths from PDM and AUTO to PsyOwn
Model 4	Paths from LOC and [PDM x LOC] to PsyOwn in addition to Model 3
Model 5	Paths from LOC and [AUTO x LOC] to PsyOwn in addition to Model 3
Model 6	Paths from RBSE and [PsyOwn x RBSE] to FRO in addition to Model 1
Model 7	Paths from RBSE and [PsyOwn x RBSE] to FRO in addition to Model 2

Note: PDM-Participative decision making, AUTO-Job autonomy, PsyOwn-Psychological ownership, FRO-Flexible role orientation, LOC-Internal locus of control, RBSE-Role breadth self- efficacy.

**Table 6** Test of mediation and moderation hypotheses.

Paths	Standardised path coefficients ( $\lambda$ )						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
<i>Mediation by PsyOwn</i>							
PDM-PsyOwn	0.41 **	0.41 **	0.42 **	0.48 **	0.29 **	0.40 **	0.41 **
AUTO-PsyOwn	0.37 **	0.38 **	0.38 **	0.39 **	0.57 **	0.38 **	0.38 **
PsyOwn-FRO	0.44 **	0.50 **				0.51 **	0.60 **
PDM-FRO		-0.02 (ns)					-0.08 (ns)
AUTO-FRO		-0.07 (ns)					-0.04 (ns)
<i>Moderation by LOC</i>							
LOC-PsyOwn				0.56 **	0.55 **		
PDM x LOC-PsyOwn				-0.21 **			
AUTO x LOC-PsyOwn					-0.28 **		
<i>Moderation by RBSE</i>							
RBSE-FRO						0.33 **	0.34 **
PsyOwn x RBSE-FRO						0.56	0.56

(continued)

**Flexible role orientation ( $\alpha = 0.918$ )**

The scale for FRO was developed for this study. The initial item pool was generated from pointers provided by [Parker et al. \(1997\)](#) and paraphrased to suit the Indian service context. Next, we conducted a pilot study ( $N = 234$ ), and analyses (item-to-total correlation and factor analysis) that provided necessary consolidation. Finally, we obtained an 8-item unidimensional scale on the basis of factor loadings ( $> 0.40$ ). Sample items include, "I understand how the work flows in my workplace" and "I am concerned if other members are not pulling their weight."

**Control variables**

In addition to the aforementioned constructs, we included age (in years), gender (as male or female), hierarchy (designation) and tenure (in years) as control variables to assess their impact on main study variables. The tenure indicated the length of association of participants with their current employer only. Designations were coded into hierarchical positions as "Junior" and "Mid" level as per the key provided by respective HR personnel.

**Results****Preliminary analyses**

The demographic profile of participants in the sample is presented in [Table 1](#).

The sample comprised 30% female participants. It was fairly balanced in terms of hierarchy of participants, with 56% and 44% junior and mid-level employees respectively. The sample also included 52 (6%) newcomers with less than six months of organisational tenure.

[Table 1](#) also reports sector-wise sample distribution. It is clear that all the three sectors are evenly represented in terms of sample size.

Descriptive statistics and zero-order correlations are shown in [Table 2](#).

The mean age of the participants was 31.72 years ( $SD = 6.57$ ) whereas mean tenure was 5.35 years ( $SD = 5.34$ ). Age was significantly and positively correlated to hierarchy and tenure. Correlation between hierarchy and tenure ( $r = 0.35$ ;  $p < 0.01$ ) indicated a time-bound promotion policy of the companies under study. Remaining control variables did not show significant correlation with other main variables. As per

[Cohen's \(1992\)](#) guidelines on strength of correlations, both PDM and AUTO had high correlations (respectively  $r = 0.51$  and  $r = 0.49$ ;  $p < 0.01$ ) with PsyOwn but medium correlations ( $r = 0.23$  and  $r = 0.19$ ;  $p < 0.01$  respectively) with FRO. These findings hinted towards possible mediation by PsyOwn.

**Effect of sampling across different subpopulations**

Though we define Indian service sector as our target population for this study, the possibility of variance at subpopulation level (the three service sectors) cannot be completely

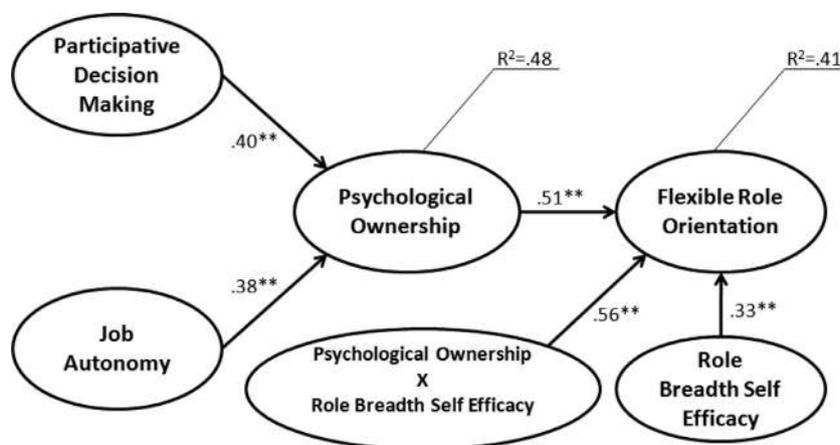


Figure 2 Path diagram for Model 6.

denied. Therefore, it is essential to ascertain appropriateness of data aggregation. We conducted one-way ANOVA to assess this effect on our distal criterion variable, that is, FRO.

Table 3 presents the findings.

It can be deduced from the table that there are non-significant variations in mean and standard deviations in the value of FRO across three sub populations. Hence, data from all the three subpopulations can be aggregated legitimately.

#### Common method variance (CMV) and construct validity

We took procedural measures (such as assurance about anonymity, confidentiality and voluntary participation) to contain biases arising due to apprehensive responses and social desirability. Still, the issue of common method variance (CMV) could not be negated completely as the data were collected using questionnaire forms with a common format and common anchors. Severity of CMV was assessed using unrotated principal component factor analysis, with and without Varimax rotation. The analyses confirmed presence of six, rather than one, factors with eigenvalues greater than one. Also, whereas, six-factor structure accounted for 63.04% variance, the single factor did not account for the majority of the variance (24.62%). So we concluded that CMV was not a serious problem in the study (

Podsakoff, MacKenzie, Lee, & Podsakoff, 2003: 889). It was re-confirmed by resorting to confirmatory factor analysis (CFA) using structural equation modelling (SEM). Initially, all the items were loaded on one factor that supposedly represented extraneous factor. In the next stage, different items were loaded on their respective latent factors and the fit was compared. Additionally, we designed five-factor models by loading together PDM and AUTO, and PsyOwn and FRO.

Table 4 presents the comparative structural fit of these models (1-factor, 5-factor and 6-factor).

It is clear from fit indices that the one-factor model is a poor fit (

Hooper et al., 2008; Hu & Bentler, 1999) which again confirms the absence of any extraneous factor. Five-factor models also lie at the threshold of poor to moderate fit, but the six-factor model suggests an excellent fit. It meant that all the measures were able to “exert their individuality” amid a pool of constructs and, therefore, possessed adequate construct validity. Further, to keep measurement errors under control in this and all the subsequent structural models, we used average dimensional scores for all the constructs ( Williams & Boyle, 2008).

#### Test of mediation and moderation hypotheses

In order to test our hypotheses, we resort to comparison of nested models using structural equation modelling. We compare path-coefficients, goodness-of-fit indices and variance explained in proximal (PsyOwn) and distal (FRO) outcomes. We designed seven models ( Table 5) to test various hypotheses.

#### Mediation by PsyOwn

We began by assessing the degree and nature of mediation by PsyOwn in PDM-FRO and AUTO-FRO linkages. To test the related hypotheses, we compared two nested models (Model 1 and Model 2). Model 1 shows indirect paths from PDM/AUTO to FRO through PsyOwn whereas Model 2 includes direct paths as well. Values of different path coefficients and variance explained are presented in Table 6.

All the three path coefficients (Model 1) were positive and significant ( $p < 0.01$ ) as expected and the model was a good fit [ $\chi^2/df = 4.57$ , RMSEA = 0.069, CFI = 0.94, TLI = 0.94]. Model 1 explained 49% and 19% variance in PsyOwn and FRO respectively. We switched to Model 2 by adding direct paths from PDM and AUTO to FRO. It was observed that the direct path coefficients were statistically non-significant ( $\lambda = -0.02$ ; n.s. and  $\lambda = -0.07$ ; n.s.) though the fit was good [ $\chi^2/df = 4.60$ , RMSEA = 0.066, CFI = 0.94, TLI = 0.94]. Also,

the increments in variance explained in PsyOwn ( $\Delta R^2 = 0.01$ ; n.s.) and AUTO ( $\Delta R^2 = 0.02$ ; n.s.) were statistically non-significant. All these facts indicated that PDM and AUTO were related to FRO via PsyOwn rather than through direct paths. So, full mediation by PsyOwn in both the cases is confirmed and our hypotheses 1a and 1b [H1a and H1b] are supported.

### Moderation by LOC

To test these hypotheses, we draw a comparison among Model 3, Model 4, and Model 5 (refer to Tables 5 and

6). To minimise the extent of multicollinearity due to the presence of the interaction term, we standardise all the scores before multiplying them (Dunlap & Kemery, 1987). Effectiveness of this step was confirmed by subsequent diagnoses. Variance inflation factors (VIFs) for the interaction terms [PDM x LOC] and [AUTO x LOC] were found to be 1.063 and 1.049 respectively against maximum admissible limit of 5.

Model 3 suggests that both PDM ( $\lambda = 0.42$ ;  $p < 0.01$ ) and AUTO ( $\lambda = 0.38$ ;  $p < 0.01$ ) are positively and significantly related to PsyOwn and the model is a good fit [ $\chi^2/df = 4.58$ , RMSEA = 0.066, CFI = 0.94, TLI = 0.94] (Hooper et al., 2008; Hu & Bentler, 1999).

Model 4 tests the moderating effect of LOC on PDM-PsyOwn linkage.

Table 6 shows that path coefficients of moderator ( $\lambda = 0.56$ ;  $p < 0.01$ ) and interaction term ( $\lambda = -0.21$ ;  $p < 0.01$ ) are significant, and the Model 4 is a better fit [ $\chi^2/df = 3.75$ , RMSEA = 0.058, CFI = 0.96, TLI = 0.95] in comparison to Model 3. Likewise, Model 5 tests the AUTO-PsyOwn linkage, and we again find significant moderating effect ( $\lambda = -0.28$ ;  $p < 0.01$ ) by LOC with a better fit [ $\chi^2/df = 3.81$ , RMSEA = 0.058, CFI = 0.96, TLI = 0.95]. Negative sign of path coefficients for interaction terms indicate negative moderation. Apart from negative moderation, Model 4 and Model 5 also improve the explained variance in PsyOwn by 0.41 ( $p < 0.01$ ) and 0.44 ( $p < 0.01$ ) respectively in comparison to Model 3. Therefore, it is confirmed that LOC negatively moderates (or attenuates) the relationships of PDM and AUTO with PsyOwn and the corresponding hypotheses (H2a and H2b) are supported.

### Moderated mediation by RBSE/PsyOwn

Finally, we test the hypothesis that the mediating effect of PsyOwn is further moderated by RBSE. We design two additional models (Model 6 and Model 7) for the purpose (refer to Tables 5 and

6). The VIF, for the interaction term [PsyOwn x RBSE], is once again within admissible limit

(VIF = 1.107). Evidently, Model 6 and Model 7 are the extensions of Model 1 and Model 2 respectively as they include interaction effect by RBSE in addition to mediation by PsyOwn. Model 6 depicts the indirect effects of PDM and AUTO on FRO, and moderation by RBSE, and is a good fit [ $\chi^2/df = 4.33$ , RMSEA = 0.064, CFI = 0.95, TLI = 0.94]. Model 7, with the inclusion of direct paths, is also a good fit [ $\chi^2/df = 4.36$ , RMSEA = 0.066, CFI = 0.94, TLI = 0.94]. The path coefficient for the interaction term ( $\lambda = 0.56$ ;  $p < 0.01$ ) is positive and significant in both the cases. Hence, different statistical parameters for Model 6 and Model 7 suggest that RBSE moderates the mediating effect of PsyOwn.

Similar to Model 2, the direct paths from PDM ( $\lambda = -0.08$ ; n.s.) and AUTO ( $\lambda = -0.04$ ; n.s.) to FRO are non-significant in Model 7. Model 6 ( $R^2 = 0.41$ ;  $\Delta R^2 = 0.22$ ;  $p < 0.01$ ) and Model 7 ( $R^2 = 0.39$ ;  $\Delta R^2 = 0.20$ ;  $p < 0.01$ ) account for significantly higher variance in FRO in comparison to Model 1 in terms of statistical predictability. However, the variance explained in PsyOwn in Model 6 and Model 7 remain almost the same as those in Model 1 and Model 2. Seen together, these results indicate that RBSE positively moderates (strengthens) the previous mediating relationships. Thus, it is a case of moderated mediation (by RBSE/PsyOwn), and the corresponding hypothesis (H3) is fully supported.

On the basis of path coefficients, fit indices and variance explained, Model 6 is the best representation of dynamics involved in the moderated mediation (Fig. 2).

## Discussion

In this study, we investigate the effect of employee empowerment initiatives (EELs) on the development of FRO and the role played by PsyOwn and certain dispositional variables therein. It is found that the relationship of both PDM and AUTO (as EELs) with FRO is fully mediated by PsyOwn and, thus, our main hypothesis was supported. This finding statistically vindicates our initial position that EELs themselves cannot lead to flexible orientation in and there must be concomitant development of psychological ownership.

Some individual dispositional variables are also found to modify the aforementioned relationship, thereby supporting the related hypotheses. Internal locus of control (LOC) turns out to be a negative moderator (buffer) of relationships between EELs and PsyOwn. It means internals are less dependent on PDM/AUTO insofar as development of PsyOwn is concerned. In other words, an episodic decline in EEL perception is less likely to attenuate their ownership feeling. This is similar to the findings of

Aube et al. (2007) where LOC negatively moderated relationship between perceived organisational support and affective commitment. Finally, RBSE positively moderates (strengthens) relationship between PsyOwn and FRO. Hence, for a given level of PsyOwn, employees with greater self-

confidence of successfully accomplishing several related tasks will have higher level of FRO.

As mentioned earlier, extant OB/HRM literature offers no definite causality between HR policies and desirable organisational results. We attempt to address this broader issue by taking a specific case where we test impact of EEIs (HR policies) in causing desirable attitude (FRO). We found that PsyOwn acts as a contingency factor in the said causal linkage. So the HR policies in question (EEIs) will yield result (FRO) if the former develop a psychological association (PsyOwn) between employees and their organisation. However, this proposition is still open to further investigation.

The aforementioned point can offer useful insights in the longstanding debate on behaviourism versus cognitivism. On the basis of our results we reiterate that employee oriented initiatives do not produce desired results automatically. Employees react to various organisational stimuli in a conscious, rather than unthinking manner. They respond favourably when the initiatives are “properly” implemented and strengthen employees’ psychological bond with their organisation. In this paper, PsyOwn represents that psychological bond between employee and employer, and its full mediation supports the notion of cognitivism. We contend that this bond could make a difference between the success and failure of HR initiatives. Such initiatives should not only be favourable but must be perceived as favourable by the stakeholders. In the words of

Khatri, Baveja, Boren, and Mammo (2006: 130), “To be told you are going to be ‘empowered’ and that you should behave in an empowered manner is quite different from feeling empowered”. Having said that, the same empowerment measure may have different connotations and appeal at different places and, therefore, exact replication from elsewhere should be avoided. Many academics and practitioners have raised this issue over time and call for factoring in cultural sensitivities, like traditionality (

Chen & Aryee, 2007), paternalism (Srinivasan, 2007: 287), and allocentrism/idiocentrism (

Lam, Chen, & Schaubroeck, 2002). Therefore, policy formulation and implementation must be guided by the cultural context of the organisation as well.

### Managerial implications

Some key managerial inferences may be drawn by juxtaposing our findings with relevant insights from the literature within the ambit of the present study. It is suggested that the form and nature of participation should be considered alongside planning and implementation for better results (Cotton, Vollrath, Froggatt, Lengnick-Hall, & Jennings, 1988). Management must ensure that participation opportunities are spontaneous (not enforced) and acceptable to employees (Kanter, 1982).

Alutto and Belasco (1972), while presenting a typology on participation in decision-making, noted that it was perceived fulfilment of participation expectation rather than “quantity” of decision-making opportunities that made significant difference on the outcomes. Likewise, the expected degree of involvement (intensity) in the decision-making process must be identified beforehand for better results (

Black & Gregersen, 1997). And, instead of aiming for participation at sporadic instances, managers would do well by creating participation climate (Miller & Monge, 1986). Similar observations are made for job autonomy as well. For example, autonomy is supposed to yield desired results if its degree commensurates with job complexity (Chung-Yan, 2010). Therefore, perfunctory and across-the-board implementation of well-meaning EEIs will not be adequate for development of flexibility in one’s orientation towards the job.

Managers must adopt a holistic approach that treats EEIs as job resources meant to cater to specific job demands. Individual needs should also be considered to the extent possible. Apart from these, there are some other determinants of success for EEIs. In the context of the healthcare industry, it was found that overemphasis on control based implementation (top down communication and bureaucratic control) of such initiatives can mar its efficacy (

Khatri et al., 2006: 130). Therefore the focus should be on commitment based approach that elicits positive employee response. Greater employee involvement in decision making also fosters a just and learning culture (

Khatri, Brown, & Hicks, 2009). In another study conducted in a U.S. based service organisation, participation through voice opportunities has been found to develop sense of psychological empowerment (

Frazier & Fainshmidt, 2012). Hence HR managers need to facilitate both vertical and horizontal communication by offering employees an efficient channel (such as frequent meetings, ease of access, and newsletters).

We also identify a couple of individual dispositions that could change the relational dynamics among our focal constructs. First, we discover that internal LOC negatively moderates the relationship between EEIs and PsyOwn. It suggests that high internal LOC reduces the individual’s dependence on EEIs toward development of PsyOwn. So we can conclude that internals are less sensitive to a perceptible dip in EEIs (occasional lack of autonomy or empowerment opportunities) and are likely to hold relatively stable ownership feelings and flexible role orientation. It is quite intuitive that breadth and depth of accountability increase with upward movement in the hierarchy and hence, we believe, flexible orientation towards job should be a more desirable individual characteristic at the higher rungs. The finding holds importance particularly for succession planners. Combining the preceding arguments, we may

say that internals are more likely to succeed at the top level of management. An earlier empirical study, based on the congruence theory, supported this notion (Miller, Kets De Vries, & Toulouse, 1982).

Second, our results also substantiate that employees with self-confidence in accomplishing a variety of related tasks successfully are more likely to develop FRO, for a given level of EEs and PsyOwn. Fortunately, PsyOwn and RBSE are malleable individual states and hence, are open to change and development (Parker, 2000; Pierce et al., 2001). It is known that PsyOwn can be developed by triggering three routes (

Pierce et al., 2001): by knowing the target, by controlling the target and by investing into the target. It can be practically achieved, for instance, by providing the requisite on-the-job training (know), by according process ownership (control) and timely acknowledgement of contribution through contingent rewards (invest). For the development of RBSE, management should endeavour to inculcate a culture of learning by expanding the scope of the job. For example, peripheral knowledge about various job facets can be provided by establishing practices like job rotation and job enlargement. Job rotation does not necessarily imply cross-discipline deputation; rather it should be aimed at creating opportunities for grasping intra-discipline nuances. It will not only break-up the monotony associated with a particular role, but also enhance learning. Another way to improve RBSE is to redesign work so as to provide more inter-disciplinary learning initiatives, like quality circles (

Parker, 1998). Hence, employees should be motivated to move beyond the call of their routine duties, and provided with opportunities to understand and learn the peripheral job functions as well.

It is well argued in the existing literature that employees' flexibility is more desirable in service industries in comparison to others, particularly in the context of boundary-spanning roles (

Chebat & Kollias, 2000; Khatri, Gupta, & Varma, 2016). In the service based organisations, quality implies the offering and the process of delivery, both of which are largely intangible. Therefore, employee's willingness to transcend rigid role boundaries and to customise the service experience becomes essential. Hence, we may safely conclude that empowerment initiatives, which lead to the aforementioned flexibility, should be given greater importance in the service based organisations.

To summarise, the empowering HR policies, like PDM and AUTO, are more likely to meet their objectives, including development of FRO, if implemented in a planned and conscious manner and employees are equipped with necessary

wherewithal for carrying out and mastering a broad range of related tasks.

### Limitations in the work and suggestions for the future research

We would like to draw attention towards certain possible shortcomings in this work for the benefit of upcoming research. Generally speaking, asocial science research work is embedded in a particular context comprising diverse social, environmental and cultural makeup. Therefore its findings cannot be generalised beyond a point. Our work, too, has a finite external validity and the results should be interpreted in the given and similar contexts. Next, the reported relationships among constructs are associative as cross-sectional design prevents us from making definite causal inferences. Also, we used paper-based questionnaire forms to collect the entire data from the same respondents at the same time, which may have introduced same source/same method bias.

We would like to make certain suggestions for researchers. On the conceptual front, it would be desirable to identify specific factors that render PDM and AUTO less effective. Such studies should provide insights on employees' expectations from these initiatives and will improve the process of implementation. Next, investigation of moderating impact of some additional personality traits (e.g. Big Five) would further sensitise managers to individual differences and help them in devising suitable interventions. On the methodological front, it would be useful to test the model using the longitudinal design so as to establish definite causality among constructs. Though common method variance (CMV) was not a serious problem in the present work, future studies can reduce it further by deploying different survey/ data collection methods (interviews, paper-based, online). Better results may be expected, if the data are collected across dyadic relationships (subordinate-superior) and measure for social desirability is included. And finally, change of context (e.g. from service-sector to manufacturing) should be helpful in extending the generalisability of the findings.

### Acknowledgement

We are extremely grateful to the editor and the anonymous reviewers for providing constructive feedback on the earlier version of this manuscript.

### References

- Aktouf, O. (1992). Management and theories of organizations in the 1990s: Toward a critical radical humanism. *Academy of Management Review* 17, 407–431.
- Alutto, J., & Belasco, J. (1972). A typology for participation in organizational decision making. *Administrative Science Quarterly* 17 (1), 117–125.

- Aube, C., Rousseau, V., & Morin, E. (2007). Perceived organizational support and organizational commitment: The moderating effect of locus of control and work autonomy. *Journal of Managerial Psychology* 22 (5), 479–495.
- Bachrach, D.G., & Jex, S.M. (2000). Organizational citizenship and mood: An experimental test of perceived job breadth. *Journal of Applied Social Psychology* 30 (3), 641–663.
- Benner, P., Tanner, C.A., & Chesla, C.A. (1996). *Expertise in nursing practice*. Springer, New York.
- Black, J., & Gregersen, H. (1997). Participative decision making: An integration of multiple dimensions. *Human Relations* 50 (7), 859–879.
- Boselie, P., Dietz, G., & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management Journal* 15 (3), 67–94.
- Bowen, D., & Ostroff, C. (2004). Understanding HRM–firm performance linkages: The role of the “strength” of the HRM system. *Academy of Management Review* 29 (2), 203–221.
- Breaugh, J.A., & Becker, A.S. (1987). Further examination of the work autonomy scales: Three studies. *Human Relations* 40 (6), 381–399.
- Budhwar, P., & Varma, A. (2011). Emerging HR management trends in India and the way forward. *Organizational Dynamics* 40, 317–325.
- Butts, M., Vandenberg, R., DeJoy, D., Schaffer, B., & Wilson, M. (2009). Individual reactions to high involvement work processes: Investigating the role of empowerment and perceived organizational support. *Journal of Occupational Health Psychology* 14 (2), 122–136.
- Chebat, J., & Kollias, P. (2000). The impact of empowerment on customer contact employees’ roles in service organizations. *Journal of Service Research* 3 (1), 66–81.
- Chen, Z., & Aryee, S. (2007). Delegation and employee work outcomes: An examination of the cultural context of mediating processes in China. *Academy of Management Journal* 50 (1), 226–238.
- Chiu, C., Lin, C., Tsai, Y., & Hsiao, C. (2005). Modeling turnover intentions and their antecedents using the locus of control as a moderator: A case of customer service employees. *Human Resource Development Quarterly* 16 (4), 481–499 .
- Chung-Yan, G.A. (2010). The nonlinear effects of job complexity and autonomy on job satisfaction,