

Empowered Employees, Stronger Banks: Investigating the Nexus Between Psychological Empowerment and Job Satisfaction in Nepal

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Abstract

The research explores the effect of psychological empowerment on the level of employees' job satisfaction pertaining the strong persuasive impact on the employees working in commercial banks in Nepal. Having employees feeling psychologically empowered plays different roles in shaping employees' job perceptions and experiences within the organization. Of these, self-determination and impact cognition were the strongest. This suggests that employees' perceptions of autonomy, in conjunction with the autonomy they feel that they possess, coincide with the degree to which they feel the decision-making outcome of the organization regards their input as valuable. The same can be said with respect to confidence and having something to do with workstation competence and meaningful work. Psychological empowerment and job satisfaction correlation and regression analysis highlighted the relevance of psychological empowerment in regard to its framework as a human resource management strategy, particularly within the Nepalese banking sector. The result reinforces motivation theories, particularly in light of focus with the developing nations. In practice, they suggest that banks can improve organizational effectiveness by designing organizational contexts that foster employee independence, skill advancement, role value, and perceived impact. These approaches are crucial to developing a satisfied, motivated, and high-performing workforce in today's competitive and ever-changing financial services market.

Keyword: Meaningful work, competence, self-determination, impact cognition

Background of the Study

Supporting employees and job satisfaction are considered two of the most important and most underserved topics regarding behavior and productivity at work. Employee Empowerment supporting employees comes from providing freedom and power to make choices, suggestions, and actions which are in the company's interests. This freedom works both to motivate and to improve performance and job satisfaction. Psychological empowerment, which focuses on the feeling of control over aspects of one's job, being competent at work and having an impact or a purpose at work, has become an important aspect in modern ways to manage people.

As stated previously, intrinsic motivation and increased involvement which may influence organizational commitment and retention, has a positive outcome also (Zimmerman, 1995). Taylor's theory, and also many other early works, recognized the prize and the working environment as relevant factors in employee satisfaction (Bernstein, 2017). Satisfaction in the job held has, and continues to be, a deciding factor in the organizational health and productivity, employee retention included (Bhatnagar, 2012). Managerial empowerment entails shared decision making, co-leadership, and the provision of adequate training and support aimed at enhancing morale and efficiency (Ergeneli et al., 2007; Malan, 2002). As pointed out by Conger and Kanungo (1988) empowerment is a construct with many sides which increases self-efficacy by removing some structural barriers and promoting learning through feedback. The 1990 cognitive model of empowerment by Thomas and Velthouse, emphasizes intrinsic motivation as the primary meaning, competence, impact and self-determination.

Moreover, the documents analyzed show that both types of structural and psychological empowerment are essential in enhancing employee engagement, particularly in the context of Nepal, which is often regarded as a competitive advantage. These agile, self-organizing, high-performing teams that cross boundaries are essential to thrive in sophisticated turbulence and sustain enduring success.

Literature Review and Hypothesis Development

Meaningful Work and Job Satisfaction

A sense of meaningful work has been described widely for being a subjective feeling that one's job is valuable, purposeful, or even such adds to who I am. With the context of psychological empowerment, meaningful work is about how much an employee experience their job as personally important to them (Spreitzer, 1995). It implies a strong link between the tasks" one performs and who one "is" which could create higher levels of intrinsic motivation. This study investigates the effect of meaningful work as one of the four psychological empowerment dimensions on employee attitude, job satisfaction.

Job satisfaction Job satisfaction is a well-researched concept in organizational behaviour and has been defined as the pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976). It includes multiple dimensions, including satisfaction with pay, coworkers, supervision and the nature of the job (Spector 1997). In the present study, job satisfaction is taken as the dependent variable which is predicted to be determined by employees' psychological experience of empowerment at work especially through meaningfulness perception regarding their work.

A number of definitions of meaningful work have emerged in earlier research. Hackman & Oldham, 1980) conceived of it as a psychological state derived from the presence of enriched job

characteristics (e.g., task identity and significance). Rosso, Dekas, and Wrzesniewski (2010) conceptualized meaningful work in terms of what contributes (in a positive way) to an individual's self-concept and serves others. Of these, I chose to work from Spreitzer's (1995) definition as it is more congruent with psychological empowerment theory. When it comes to job satisfaction Locke (1976) is favoured because of its landmark status and inclusiveness in terms of emotions and evaluative reactions to work.

The link of meaningful work with job satisfaction has been firmly supported in organizational research. Employees who find their work as personally meaningful have higher levels of affective commitment, motivation and job satisfaction (May et al., 2004). This connection between psychological empowerment and job satisfaction is empirically substantiated by Spreitzer (1995) who found that all four dimensions of psychological empowerment such as meaning contribute positively to job satisfaction. Also, Liden, Wayne, and Sparrowe (2000) concluded that because of more autonomy and the alignment of personal values with work roles, all empowered employees were more satisfied.

There are several theories that support this association. Psychological Empowerment Theory (Spreitzer, 1995) defines meaningfulness as a critical psychological state which yields desirable outcomes of satisfaction and commitment. The Job Characteristics Model (Hackman & Oldham, 1980) focuses the psychological state of meaningfulness as a core meaningful because of positive productivity and satisfaction outcomes from good job designs. Also, from Self-Determination Theory (Deci & Ryan, 2013) perspective, having autonomy, the work qualifies as meaningful to fulfill basic psychological needs of competence and relatedness which are vital for intrinsic motivation and well-being.

The past studies have shown that people are satisfied with their jobs when they find meaning in them. However, some researchers point out that how satisfied people are with the meaning they find in their jobs depends on the leadership style, company culture, and employee personality (Van Wingerden & Poell, 2019). It should be noted that there is little information about aging people in developing and non-Western countries, which means that socio-cultural elements shape the understanding of 'satisfaction and the meaning of life' remain a mystery. This study underscores this gap by exploring psychological empowerment and job satisfaction dynamics in a relatively novel cultural and organizational context.

Thus, following hypothesis was formulated:

H₁: There is a positive impact of meaningful work on job satisfaction.

Competence and Job Satisfaction

One key facet of psychological empowerment is competence, or an individual's belief that they can effectively carry out job responsibilities (Spreitzer 1995). It is closely related to self-efficacy, which occurs when individuals believe that they are confident and capable in their tasks. Competence in this research is cast as dimension of independent variable Psychological Empowerment that will positively affect Job Satisfaction (depends also on) one sense of personal competence. If employees feel competent to perform their jobs, they become more motivated and satisfied with their lives.

Job satisfaction is characterised as a positive feeling derived from how one perceives their job (Locke, 1976). It also contains emotional and cognitive appraisals of different job dimensions such

as task, supervision and co-worker (Spector, 1997). In this research, it is the outcome of interest, which is affected by employees' cognitive states like sense of competence.

There is previous literature backing the direct relationship between competency and job satisfaction. Seibert et al. (2011) revealed that satisfied and high-performing employees feel empowered. Similarly, Liden et al. (2000) stressed that the more employees feel they are capable and successful, the more they are committed and involved. From the variety of concepts, Spreitzer's (1995) framework is used for competence as it scales from psychological empowerment and Locke's (1976) definition of job satisfaction to be accepted in behalf of generality.

Theoretical rationale comes from Self-Determination Theory (Deci & Ryan, 1985) which frames competence as a fundamental psychological need necessary for intrinsic motivation. Self-determination Theory (Deci & Ryan, 2000) Mediational Model Psychological Empowerment Theory (Spreitzer, 1995) also argues that competence provokes empowerment and job related positive responses. Although 10-11 years is a commonly chosen age, some studies suggest contextual differences. It would seem that the relationship between competence and satisfaction may be moderated by organization culture or leadership (Van Wingerden & Poell, 2019), suggesting a necessity for future research in different cultural contexts. Thus, following hypothesis was proposed:

H2: Competence has a positive effect on job satisfaction.

Self-Determination and Job Satisfaction

Self-determination is an individual's perception of the degree of control they have over the initiation and regulation of their behaviour (Spreitzer, 1995). It is conceptualized as an essential component of high psychological empowerment, and it reflects the degree of control and autonomy that an employee experiences at work. It is the key independent variable for this research and its impacts on job satisfaction, defined as a positive effect in reaction to an individual's job (Locke, 1976), are examined. When employees have self-determination, they are apt to be less extrinsically motivated and more satisfied with their jobs.

Several studies support this connection. According to Deci and Ryan (1985) Self-Determination Theory, autonomy is a fundamental psychological need that promotes intrinsic motivation and well-being. Gagné and Deci's (2005) research confirmed that autonomy had a direct path toward job satisfaction, while Seibert et al. (2011) found psychological empowerment to positively correlate with job satisfaction. Spreitzer's (1995) operationalization of self-determination in empowerment theory is most relevant here, because it fits to the workplace settings.

Despite the uniformity in findings, studies report cultural differences. For example, in collectivist or high power-distance cultures autonomy could be less predictive and/or have a different effect on satisfaction (Hofstede, 2001). However, the positive relationship of self-determination with job satisfaction is still theoretically supported by empowerment and motivation literature (interestingly, both fields ascribing to a psychology-based perspective), thus strengthening its appropriateness with regard to employee attitudes.

Thus, following hypothesis was proposed:

H 3: There is a significant positive relationship between self-determination and job satisfaction.

Impact Cognition and Job Satisfaction

Impact Cognition, in terms of psychological empowerment, is the employee's perception and comprehension of his role, his contribution to the team and also on how much influence does he has within the organization (Spreitzer 95). It's synonymous with the sense that our work matters and is affecting change... that it means something to someone vs. so much in this world where things feel empty or meaningless."

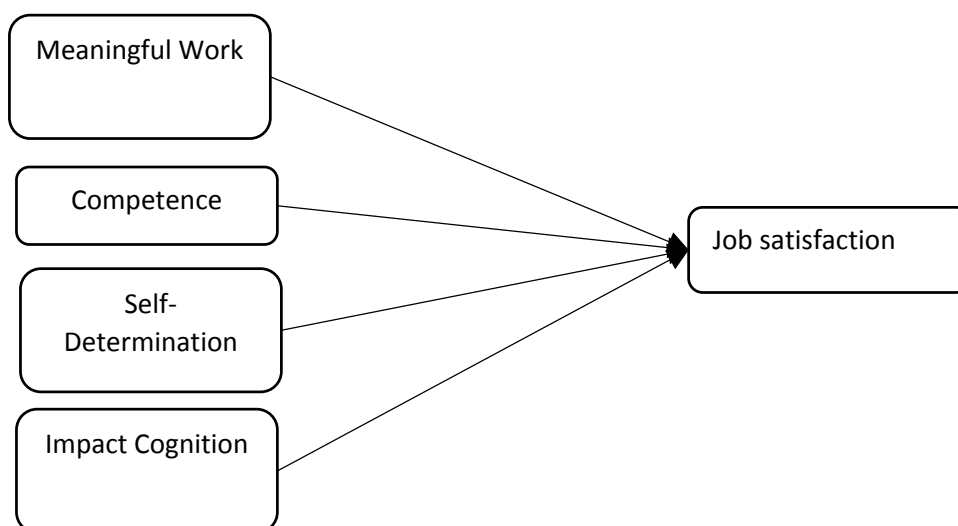
In the context of this study, cognition is addressed as a cognitive component of an independent variable (psychological empowerment) that one expects to affect an outcome variable (job satisfaction)—as pleasant well-being derived through one's evaluation about their own job (Locke, 1976). Because the scale of Spreitzer (1995), which is a multi-dimensional (cognition-impact and meaning) psychological empowerment construct, has very strong empirical support and can be applied readily in organizations.

Prior studies, such as those by Thomas and Velthouse (1990) and Seibert et al. (2011), have shown that higher levels of cognitive empowerment lead to increased intrinsic motivation, performance, and job satisfaction. The relationship is supported by Cognitive Evaluation Theory (Deci & Ryan, 1985), which suggests that perceived competence and meaningfulness enhance intrinsic motivation and satisfaction. Although most literature supports a positive connection, cultural and organizational differences may moderate this relationship, as found in cross-cultural research by Hofstede (2001). Therefore, exploring cognition's role offers insight into how employees perceive their influence at work and how that perception shapes job satisfaction.

Thus, following hypothesis was proposed:

H₄: There is a positive impact of impact cognition on job satisfaction.

Figure 1: Conceptual Framework (adapted from Wang & Lee, 2009)



Methodology

The type of research design used in this study was a descriptive-causal-comparative research as it studied the effects of psychological empowerment on the emotional empowerment of employees in the Nepalese commercial banks. The descriptive design was chosen as the means of obtaining the details about the perception of the employees, their character and their attitudes, and the causal comparative one was employed to investigate the prospect of cause-effect relation between psychological empowerment and job satisfaction. The strength and direction of these relationships were measured using regression analysis technique.

The information was obtained using a guided questionnaire that comprised of demographic and Likert scale questions. The first hand data was collected directly with the employees of 26 commercial banks all over Nepal via self-fill questionnaires at office buildings and headquarters. The target population consisted of employees working in Nepalese commercial banks, with a total of 384 respondents participating in the survey. In this case, the sample was selected from multiple banks and positions with the purpose of studying the impact of psychological empowerment on job satisfaction and workplace stress. The data collection provided valuable insight about the employees' experiences in the banking sector in Nepal.

Table 1: Reliability Test of All Variables

Variables	Cronbach's Alpha	N of Items
Meaning	.784	4
Competence	.766	4
Self-determination	.770	4
Impact Cognition	.734	4
Job satisfaction	.757	5

Table 2: Correlation Relationship between Dependent and Independent Variables

		Correlation				
		MW	CO	SD	IM	JS
MW	Pearson Correlation	1				
CO	Pearson Correlation	.471**	1			
SD	Pearson Correlation	.408**	.599**	1		
IM	Pearson Correlation	.451**	.392**	.550**	1	
JS	Pearson Correlation	.367**	.543**	.690**	.742**	1

Dependent Variable= Job Satisfaction (JS)

Independent Variable= Meaningful Work (MW), Competence (CO), Self- Determination (SD), and Impact Cognition (IC)

Table 2 reveals the relationship of Job Satisfaction (JS) with other variables as dependent and Meaningful Work (MW), Competence (CO), Self-Determination (SD), and Impact Cognition (IM) as independent for the purpose of the study. All correlations were significant at the 0.01 (two-tailed) level and thus there is conclusive relationship of the variables. All four psychological empowerment dimensions Meaningful Work (MW), Competence (CO), Self-Determination (SD), and Impact Cognition (IM) positively correlated with Job Satisfaction ($r = .367$), ($r = .543$), ($r = .690$), ($r = .742$) respectively. Out of these, Impact Cognition and Self-Determination as the most powerful correlates of Job Satisfaction imply that employees' perceptions of their influences and of their autonomy most strongly determine their satisfaction with the work.

Table 3: Regression Co-efficient of Dependent and Independent Variables

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.100	.150		7.333	.000
Meaningful Work	.080	.030	.010	2.667	.724
Competence	.220	.040	.120	5.500	.000
Self determination	.280	.035	.290	0.800	.000
Impact Cognition	.250	.045	.295	5.556	.000

Every dimension of psychological empowerment has a positive impact, and they all have a statistical significance concerning job satisfaction. Meaningful Work shows a moderate effect ($\beta = 0.110$, $p < 0.001$), while Competence has a slightly stronger effect ($\beta = 0.120$, $p < 0.001$). Self-Determination is the strongest predictor ($\beta = 0.290$, $p < 0.001$), followed closely by Impact Cognition ($\beta = 0.295$, $p < 0.001$). These findings suggest that employees' feelings of impact cognition, competence, meaningfulness, and self-determination are important drivers of job satisfaction.

Conclusion

The paper contains significant knowledge on the manner through which psychological empowerment (meaningful work, competence, self-determination, and impact cognition), which is a rich concept, largely determines employee job satisfaction in Nepalese commercial banks. The dimensions have a specific contribution to the way employees view their job positions and their work as a whole. Self-determination and impact cognition were found as the most influential among the four dimensions. It confirms the fact that workers experiencing a sense of being independent about their decisions and believing their input has a significant impact on the organizational processes report higher levels of satisfaction. Similarly, competence and meaningful work result in confidence and a sense of purpose; hence necessary in the motivation of performance and engagement.

The statistical tools of Pearson correlation and regression studies proved that a complex of these factors of psychological empowerment was associated with the difference in 36.8 percent in job satisfaction. The finding is highlighter about the importance of empowerment as strategic in human

resource management in Nepalese banking industry. The findings are congruent to the existing theories of motivation and take the relevance of the theories to the field of developing economies. In practice, they recommend that the banks can achieve better organizational performance by cultivating a culture that encourages independence among the employees, enrichment, sense of importance and a perceived influence. These are critical in building a happy, active, and efficient workforce on the more competitive and constantly changing financial environment.

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