

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps.

ProQuest Information and Learning
300 North Zeeb Road, Ann Arbor, MI 48106-1346 USA
800-521-0600

UMI[®]

**THE EFFECT OF EMPOWERMENT ON ORGANIZATIONAL EFFECTIVENESS
MODERATED BY LEADERSHIP STYLE: AN APPLIED ASSESSMENT**

**A DISSERTATION
PRESENTED TO THE FACULTY OF THE
CALIFORNIA SCHOOL OF PROFESSIONAL PSYCHOLOGY/
ALLIANT INTERNATIONAL UNIVERSITY
SAN DIEGO**

**In Partial Fulfillment of
The Requirements for the Degree
DOCTOR OF PHILOSOPHY**

**By
Isabel Perez**

2002

UMI Number: 3084901

**Copyright 2002 by
Perez, M. Isabel**

All rights reserved.

UMI[®]

UMI Microform 3084901

**Copyright 2003 by ProQuest Information and Learning Company.
All rights reserved. This microform edition is protected against
unauthorized copying under Title 17, United States Code.**

**ProQuest Information and Learning Company
300 North Zeeb Road
P.O. Box 1346
Ann Arbor, MI 48106-1346**

THE EFFECT OF EMPOWERMENT ON ORGANIZATIONAL EFFECTIVENESS
MODERATED BY LEADERSHIP STYLE: AN APPLIED ASSESSMENT

A DISSERTATION
PRESENTED TO THE FACULTY OF THE
CALIFORNIA SCHOOL OF PROFESSIONAL PSYCHOLOGY/
ALLIANT INTERNATIONAL UNIVERSITY
SAN DIEGO

In Partial Fulfillment of
The Requirements for the Degree

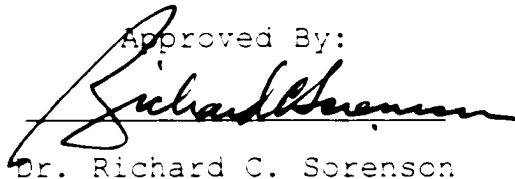
DOCTOR OF PHILOSOPHY

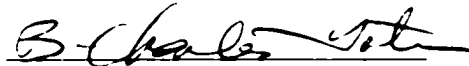
By

Isabel Perez

2002

Approved By:


Dr. Richard C. Sorenson

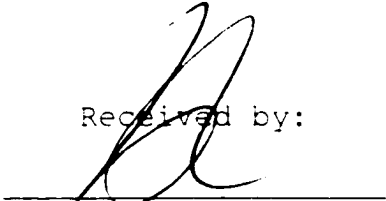


Dr. B. Charles Tatum



Dr. Steven L. Dockstader

Received by:


Dr. Herbert George Baker

Director of Organizational Programs

*Dedicated with love to my mother, Maria Eugenia Badillo,
who taught me strength and perseverance through her actions and to the memory of my
father, Nicolas Perez, who taught me I could accomplish anything I set my mind to.*

This is as much their accomplishment as mine.

Special Thanks to...

The best committee anyone could ever hope to have:

Dr. Richard Sorenson

Dr. Charles Tatum

Dr. Steven Dockstader

My friends and family whose help and support made all the difference in making this goal a reality especially:

Ward A. Graham

John Leben

Brian Taverner

Gerrie Villegas

And

Friends at the Employment and Training Administration and the Wage and Hour Division of the U.S. Department of Labor

TABLE OF CONTENTS

CHAPTER I:	
INTRODUCTION	1
Statement of the Problem	1
Objectives and Goals	9
Definitions of Terms	13
RESEARCH QUESTIONS AND HYPOTHESIS	20
CHAPTER II:	
LITERATURE REVIEW	25
Empowerment	25
Organizational Effectiveness	33
Leadership	36
Affect	44
CHAPTER III:	
METHODS AND PROCEDURES	47
Participants	47
Variables and Controls	48
Measures for IV's and DV's	48
Procedures	56
Statistical Design	57
CHAPTER IV:	
RESULTS	61
Reliability Analysis	61
Distributional Characteristics	66
Hypothesis Testing	67
Supplemental Analysis	85
CHAPTER V:	
DISCUSSION	96
The Effect of Empowerment on OE	96
Leadership Style as a Moderator	97
The Impact of Affect on Performance-relevant Organizational Behavior	105
The Differences in Results Between Aggregate And Individual Level Analysis	107
The Driving Force of Leadership Style	109
Summary	111
Limitations of the Study	111
Suggestions for Future Research	112
Conclusions and Implications for Practice	113

REFERENCES	118
APPENDIX A	133
CONFIDENTIALITY FORM	134
APPENDIX B	136
EMPOWERMENT SURVEY	137
APPENDIX C	138
LEADERSHIP SURVEY	139
APPENDIX D	141
DEMOGRAPHIC FORM	142
APPENDIX E	143
ORGANIZATIONAL EFFECTIVENESS QUESTIONNAIRE	144
APPENDIX F	152
ORGANIZATIONAL EFFECTIVENESS SURVEY	153
APPENDIX G	162
Affect Survey	163
APPENDIX H	164
Correlation Matrix (N=225)	165
APPENDIX I	166
Correlation Matrix (N=16)	167
APPENDIX J	168
Descriptive Statistics Table for ANOVA	169
ABSTRACT	170

LIST OF TABLES

TABLES

1	Descriptive Statistics of Measures and Subscales (N=225)	62
2	Descriptive Statistics of the High Performance Subscales	64
3	Descriptive Statistics of the Public Accountability Subscales	65
4	Descriptive Statistics of the Service Quality Subscales	66
5	Distributional Statistics of Measures and Subscales	67
6	Distributional Statistics of Measures and Subscales	68
7	Correlations related to Hypothesis 1 at the Organizational Level of Analysis	69
8	Correlation related to Hypothesis 1 at the Individual Level of Analysis	70
9	Correlation Matrix of Hypothesis 2 (N=16)	71
10	Summary of Hierarchical Regression Analysis for Empowerment as a Mediator of Transactional Style and OE	81
11	Summary of Hierarchical Regression Analysis for Empowerment as a Mediator of Transactional Style and High Performance	83
12	Summary of Hierarchical Regression Analysis	84
13	Correlation Matrix of Hypothesis 2 (N=225)	88

LIST OF FIGURES

FIGURES

1	Model 1: The relationship between Empowerment and OE moderated by leadership style	10
2	Conger & Kanungo's Five Stages in the Process of Empowerment	28
3	Thomas & Velthouse's Cognitive Model of Empowerment	29
4	Figure 4. The relationship between Empowerment (low -vs- high) and OE moderated by Transformational leadership (low -vs- high), N=16	72
5	Figure 5. The relationship between Empowerment (low -vs- high) and OE moderated by Transactional leadership (low -vs- high), N=225	76
6	Graphic representation of H2 results	102

CHAPTER I

INTRODUCTION

Statement of the Problem

During the latter part of the 20th century many firms had abandoned management based on authority, and opened the way for managerial practices that encourage the employees' desire to belong and use his or her intelligence to serve the firm. However, contemporary management theorists agree that development of a new type of employee means the evolution of a new kind of firm, who's culture embraces collaboration and implements it into actual practice. The change has arisen in the context of new management principles and criteria underlying performance and total quality where all employees are assumed to be active and intelligent participants (Aktouf, 1992).

Empowerment has been a topic of interest in both organizations and popular press mainly due to past successes (Bass & Avolio, 1994; Conger & Kanungo, 1988). Empowerment shifts responsibility to the performer of the tasks for solutions to problems, and promotes participation and delegation of tasks instead of autocratic task assignment (Bowen & Lawler, 1992). Research has found a positive relationship between empowerment and

organizational effectiveness (OE) in settings such as religious communities, insurance companies and private corporations (Kanter, 1984; Kouzes & Posner, 1987; McClelland, 1975; Vandenberg, 1996). Moreover, according to Rosenbach and Taylor (1993), "leadership is seen as a means to the empowerment of followers" (pp. Xi-1).

Participation requires a different style of leadership than had been common during the industrial peak. Research by Bass and Avolio (1994, chapt. 1) revealed that organizations and teams led by transformational managers were significantly more effective than those managed by transactional managers. However, a more direct link between empowerment practices and types of leadership must be studied because of the large number of leadership practices that are identified as empowering (Conger & Kanungo, 1988).

The study of leadership has preoccupied researchers and employers for years. However, much of the early research focused on military settings, which today is of limited use to modern commercial or public sector organizations due to their unique cultures. Modern organizations seeking employee involvement require different leaders. Leaders are no longer seen as directing the troops. Today, models of leadership are focusing more on predicting who can best ensure survival in a changing environment rather than on who can best manage order and

control. The two concepts of guiding vs. directing have been regarded as the difference between leadership and management (Kotter, 1990). Moreover, with debates on whether government jobs will be privatized or not, government agencies are also looking to remain competitive in the hope of maintaining their existence and funding (Kanter, 2001). For instance, many government agencies have taken to training their senior executives on titles such as *The Empowering Leader* (Development Dimensions International, 1991) to promote empowering behaviors within their staff.

The debate on leadership focuses on the distinction between the skills of management and the skills and qualities of leadership; frequently described as "transactional" and "transformational" leadership. According to Bass (1990), most experimental research has focused on transactional leadership whereas the real movers of the world are the transformational leaders.

Transformational leadership includes the distinguishing feature of encouraging the empowerment of staff. It is seen as participative, team member-oriented and having a sharing style. While transactional leadership is described as directive, individualistic, competitive and task driven. Other ways of looking at the difference between these two styles include task accomplishment versus interpersonal style (Fiedler, 1967; Halpin & Winer, 1957)

and autocratic versus democratic style (Eagly & Johnson, 1990). Livingstone (1988) found that the most important feature of most effective managers was not their skills but their attitudes towards staff. Leaders are now being seen as people developers and have the responsibility of developing leadership throughout the organization (Alimo-Metcalf, 1995, 1996).

Bass (1966) labeled transformational leadership as having four components: charisma, inspirational motivation, intellectual stimulation and individualized consideration. Kouzes and Posner (1987) attribute similar qualities to the transformational leader in terms of inspiring a shared vision, challenging the process and enabling others. Bass stresses that the transformational leader shows consistency and walks the talk. The transformational leader is seen as having a Pygmalion type of effect on staff through his or her positive disposition and expectation of others. They seek feedback at all levels including those that they are responsible for leading (Alimo-Metcalf, 1996).

Bass (1990) describes transactional leadership as involving contingent recognition and managing by exception (intervening only when problems arise, then taking corrective action). However, Bass states that transformational leaders can be both directive and participative depending on the requirements of followers and context. Recent studies in the public and private

sector of the United States suggest that managers who can integrate both a transformational and transactional style have more effective, motivated and satisfied employees (Alino-Metcalf, 1996). Dr Paul Hersey (1992) author of the *Situational Leader* writes, "In evaluating leadership attempts, consideration needs to be given to the impact on the people being influenced. Leaders need to get a job done, but they also need to build continuing cooperation" (p. 18). According to Hersey (1992) success has to do with how well the job gets done and effectiveness has to do with people's attitude about performing the work.

The topic of empowerment, in comparison to other constructs, has relatively few empirical studies associated with it (Kirkman & Rosen, 1996). Until recently, empowerment has been primarily conceptualized in terms of power (Mainiero, 1986), with research on the topic being concentrated on community settings rather than organizational settings (Maton & Salem, 1995).

Recently researchers such as Tymon (1988) and Spreitzer (1995a) have attempted to measure empowerment in organizational settings. Spreitzer conceptualized empowerment as an overall construct with four components comprising one measure of empowerment (Spreitzer, 1995a, 1995b, 1996a). Spreitzer emphasizes that an important aspect of empowerment is that it reflects an active, rather than passive role in the work setting. Thus it may be

argued that a transformational-type of leader may bring about more empowerment in workers although that may not be the case in all situations.

This concept of empowerment has been described in various ways such as increased participation, employee involvement, and increased delegation. However, for purposes of this study, these terms will be used as contributors to empowerment. One employee involvement theory is based on the belief that employees should have a greater influence over their work (Lawler, Mohrman, & Ledford, 1992). Empowering subordinates has been described as the method of increasing autonomy, personal control, accountability and self esteem (Alimo-Metcalfe, 1995). The rationale for advocating empowerment up to now has been to benefit the organization in productivity and efficiency. Alimo-Metcalfe (1995) propose that empowered staff support organizational change, and have a greater sense of job ownership due to the fact that they have an improved sense of responsibility, identity and satisfaction. In order to promote this, managers can no longer rely on status and authority to influence productivity, but should empower teams to make their own decisions within the framework of the organization's strategic plan, supported by a learning environment (Alimo-Metcalfe, 1993).

Organizations adopting practices, such as empowerment, have found it difficult to obtain results linking their

practices with effectiveness. Schneider (1996) proposes that this gap in results is due to the differences in thinking by managers and researchers with respect to the level of analysis. Organizations are composed of individuals each interacting to accomplish tasks to meet organizational goals. Therefore, in keeping with Schneider's premise it is important to assess organizational goals not at an individual level of analysis but at an aggregate (organizational) level. Organizational analysis would better represent and predict organizational effectiveness as a whole and allow leaders and researchers to better understand why organizations behave as they do, and why they are, or are not, effective. According to Schoorman and Schneider (1988) a change can only have an effect when the entire organization collectively facilitates the change. Research on individual differences has failed to provide management with a direct link between these differences and organizational effectiveness (OE). Schneider states that the lack of clarity in the link between individual differences and organizational effectiveness is a consequence of the disparity between researcher's focus on individual-level criteria and managers' focus on organizational behavior and productivity.

In addition, even though conceptually OE is the degree to which organizations achieve their goals there is a lack

of agreement as to what constitutes a valid measure of organizational effectiveness (Ostroff, 1992). OE is a product of multiple arbitrary organizational models each proposing different relationships and judging effectiveness differently. The changes in the concept of organizational effectiveness have been at the center of the development of organizational theory, each time moving toward complexity and variety (Cameron & Whetten, 1983).

It is possible to optimize performance through the transformation of management style (Dockstader, 1997). In keeping with this belief, leadership researchers stress the increasing importance of transformational leadership. Researchers are now convinced that the transformational leadership paradigm is most meaningful in today's diverse and complex world (Alimo-Metcalfe, 1995). The purpose of this study is to provide further understanding of how empowerment effects organizational effectiveness and how this relationship is moderated by leadership style.

Kanter (1984) states that:

The root of participation and its impact does not lie in its psychological dimensions, but in its organizational dimensions. It engages people's full energies, draws on their genuine strengths and advantages, and helps to create mechanisms that produce the organization's results with greater effectiveness. (p. 214).

Kanter also points out that participative management (empowerment promoter) is important more as a method for achieving results, than as an end in itself. As mentioned, according to Kouzes and Posner (1987) research has found a positive relationship between empowerment and organizational effectiveness and Rosenbach and Taylor (1993) propose that leadership is a means to empowerment. Schneider (1996) additionally identifies a need to bridge the disparity between past individual-level research and manager's organizational-level focus. Therefore, further research is needed to better understand and illustrate the interplay among the constructs of leadership, empowerment and OE in applied settings at an aggregate level of analysis in pursuing what Aktouf (1992) called "a new kind of firm." Additional research must also be performed to clarify the positive relationship between empowerment and OE found by Kouzes and Posner (1987) in order to better utilize and understand the interplay between all three factors in working organizations.

Objectives and Goals

The primary goal of this study was to provide additional understanding of what the practice of empowerment brings to an organization in terms of effectiveness as applied to government employees. Kanter (1984) stated that participation is not an end in itself

but is deeply connected to all aspects of an organization's capacities for effective performance. Quinn and Kimberly (1984) in discussing the need to use participation properly reiterated Kanter's belief that the merit of participative mechanisms is in generating concrete ideas and taking advantage of these ideas. Connecting people to the definition and solution of critical problems increases the likelihood that people's capacities will be utilized thus increasing the probability of effective organizational performance. This dissertation research addresses the effects of empowerment on the organizational effectiveness components of high performance, service quality, and greater public accountability in a governmental setting (see Figure 1).

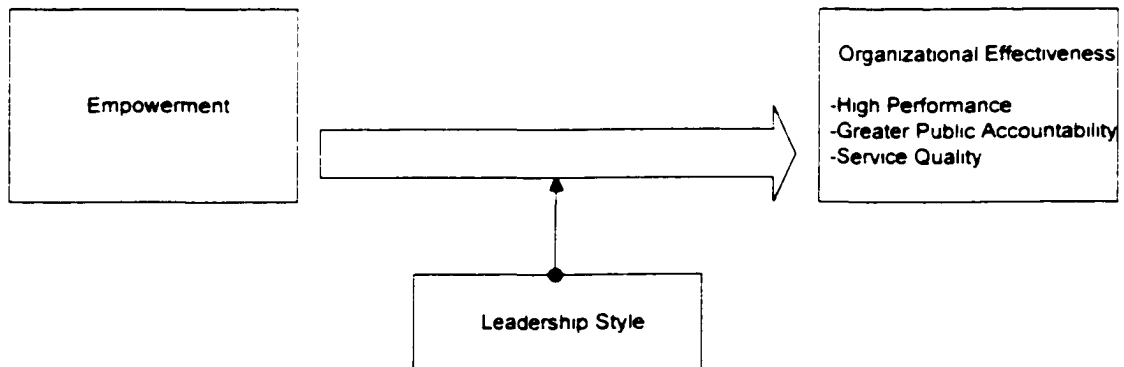


Figure 1. Model 1: The relationship between Empowerment and OE moderated by leadership style.

Transactional and transformational leadership styles have long been associated with empowerment. To provide additional understanding of this relationship, relative to OE, the study presents an analysis of the moderating effects of leadership style on the empowerment relationship with organizational effectiveness.

The current research examined OE at an organizational level of analysis. The study focused on three dimensions of effectiveness meaningful to the organization under study: high performance (HP), greater public accountability (PA) and service quality (SQ). An aggregate level of study, as opposed to an individual difference approach, was chosen to establish a meaningful organizational relationship between empowerment and organizational effectiveness. However, individual analysis was also performed to determine whether differences in analysis resulted in dissimilar conclusions.

In addition, affect was incorporated in the study to assure that the results of this study were not due to affect as a third variable, and to examine how "positive" and "negative" affect impacts performance-relevant organizational behavior.

Positive affect (PA) and negative affect (NA) can be described as personality traits or states. The dispositional quality of affect is derived from an individual's personality trait(s) of PA and NA (George,

1996). While moods are generalized affective states that are not specific to events or circumstances, they are therefore, pervasive and nonspecific.

George (1996) identified affective disposition and life events as the two individual-level determinants of work moods. Affective disposition is an individual's tendencies to experience things positively and negatively, while life events capture the impact that a person's life circumstances has on his or her work mood. George also states that trait disposition parallels mood disposition such that people high on positive affect are more likely to experience positive moods and those high on negative affect are more likely to experience negative moods.

Very little empirical research has been done on how dispositional affect influences various outcomes. However, organizational research has shown that affective states can influence a variety of performance-related outcomes such as judgments, attitudinal responses, creativity, helping behavior and risk taking (Brief & Weiss, 2002). Hersey (1992) stated that effectiveness has to do with "people's attitudes about performing the work." Brief, Butcher, and Roberson (1995) found that high "negative affect" individuals might respond with less pleasure when experiencing positive job events. Additionally Fried, Levi, Ben-David, and Tiegs (1999) found that "negative" affect raters have less inclination to deliberately inflate

ratings than raters low in "negative" affect. Research also indicates that "positive" affective states facilitate decision quality and interpersonal performance as well as other general indicators of performance (Staw & Barsade, 1993). Since affective states can influence performance-related outcomes, affect was statistically controlled in this study to demonstrate that the relationships under study were not due to shared variance due to affect.

Definition of Terms

Empowerment - A multifaceted concept defined as increased task motivation, which is also manifested as a set of cognitions reflecting an individual's orientation to his or her work role (Thomas & Velthouse, 1990).

Empowerment will be studied as a single construct using Spreitzer's (1995a) measure of psychological empowerment.

Organizational Effectiveness (OE) - Refers to an organization's ability to accomplish organizational goals through the aggregated facilitation of individual behavior across all levels of organizational functioning as stated by Schneider (1996). In keeping with Schneider's premise, OE will represent the average nature (sense of empowerment) of the individuals in the organization and the consequences of that nature. This definition implies that the members of an organization must function in a manner to support the

organizational goals. Effectiveness will be evaluated using the productivity gainsharing model developed by Nebeker, Tatum and Wolosin (1994). The key result areas identified by the agency under study include high performance, service quality, and greater public accountability. The definitions for the key result areas are a product of this research and not an official product of the agency under study. They were derived using the Organizational Effectiveness Questionnaire (see Appendix E) following the procedure cited on the form.

High Performance (HP) - Is defined overall as supporting the program's needs to meet stated goals and outcomes. On an individual level high performance is defined by each division as follows:

1. Effectively support the states in meeting Employment Standards (ES) and America's Labor Market Information System (ALMIS) outcomes.
2. Effectively support state workforce agencies in meeting Unemployment Insurance (UI) program performance standards.
3. Having a workable system of performance measurement that provides valid data.
4. Processing applications in a timely and accurate manner.
5. Enforcing conformity/compliance of state law with federal UI law.

6. Achieving 95% or more of all goals and objectives.
7. Having interactive technology (IT) services, which are prompt and correct.
8. Supporting customer needs within program requirements/standards.

On an individual level high performance is defined by each region as supporting customer needs within program requirements/standards.

Greater Public Accountability (PA) - Is defined overall as effectively communicating program policies, initiatives and performance results, and proposed next steps/actions. Each division defines greater public accountability as follows:

1. Effective two-way communication of Employment Services (ES) and Americas Labor Market Information System (ALMIS) policy/program initiatives at all constituency levels.
2. Effective communication of UI program policy and initiatives at all constituency levels.
3. Having a workable audit of performance accuracy and data validity.
4. Processing applications in accordance with laws and regulations.
5. Developing UI legislative proposals.
6. Information sharing.

7. Reporting accomplishments of resources expended to the next level of management.
8. Following government rules and regulations for IT projects.

On an individual level greater public accountability is defined by each region as communicating program standards to ensure proper application and improvement.

Service Quality (SQ) - Is defined overall as providing timely and accurate services. On an individual level, each division defines service quality as follows:

1. Monitoring performance by collecting appropriate, timely and accurate data to support system improvement.
2. Overseeing and monitoring performance through program reviews and data collection to support continuous UI program improvement.
3. Ensuring proper collection and assessment of facts concerning issues for eligibility for UI benefits.
4. Providing good customer service.
5. Preparing documents/analysis accurately and timely.
6. Providing a customer friendly-user system.
7. Responding to customer needs timely with accurate, well presented and understandable information.
8. Having customer satisfaction with services.

On an individual level service quality is defined by each region as providing timely and accurate services.

Leadership Style - Refers to whether a person in authority primarily exhibits transactional or transformational behavior when dealing with subordinates to motivate effective performance.

- a) Transactional Leadership Style is characterized as contingent reinforcement. Rewards are contingent upon the effort expended by subordinate and performance level achieved (Yammarino & Bass, 1990). Transactional leaders motivate through recompense.
- b) Transformational Leadership Style is characterized as broadening and elevating the interests of subordinates. These leaders generate awareness and acceptance among subordinates for the purposes and mission of the group, and move subordinates to go beyond their own self-interests for the good of the group (Burns, 1978). Transformational leaders motivate through charisma, consideration and intellectual stimulation (Yammarino & Bass, 1990). According to Bass and Avolio (1994) these leaders demonstrate the "Four I's":

1. Idealized Influence (behavior/attributed)

Transformational leaders behave/have impact in ways that result in they being role models. To earn this credit leaders consider the needs of others over their own personal needs and can be

counted on doing the right thing. Followers identify with the leader and want to emulate him/her (Bass & Avolio, 1994).

2. Inspirational Motivation - Transformational leaders behave to motivate and inspire by providing meaning and challenge to their follower's work. This leader communicates expectations that followers want to meet and demonstrate commitment to goals and a shared vision (Bass & Avolio, 1994).

3. Intellectual Stimulation - Creativity is encouraged. Followers are encouraged to try new approaches to problems and new ideas are not criticized because they differ with the leader's ideas (Bass & Avolio, 1994).

4. Individualized Consideration - Individual differences in terms of needs and desires are recognized and accepted. Creating new learning opportunities within a supportive climate is one of the practices of individualized consideration (Bass & Avolio, 1994).

Contingent Reward - A promise of reward or actual rewards are given in exchange for satisfactory assignment completion (Bass & Avolio, 1994).

Management-By-Exception (active) - Leader actively monitors deviances from standards and errors in assignment completion by followers and intercedes as necessary (Bass & Avolio, 1994).

Management-By-Exception (passive) - Leader passively waits for deviances or mistakes to occur before taking corrective action (Bass & Avolio, 1994).

Laissez-faire - The avoidance or absence of leadership. This style represents nontransaction (Bass & Avolio, 1994).

Affect - Watson, Clark and Tellegen (1988) describe positive affect (PA) as "the extent to which a person feels enthusiastic, active, and alert" while "negative affect is a dimension of subjective distress and unpleasurable engagement that subsumes a variety of aversive mood states" (p. 1063). The current research applies affect as a state but measures it by inquiring to what extent individuals generally experience each mood state thus concentrating on its traitlike stability. Positive affect and negative affect are treated as two dimensions. Therefore, an

individual could be high or low on both, or high or low on one or the other. For instance, high positive affect is a state of high energy and pleasurable engagement while low positive affect is a state of sadness and lethargy. High negative affect is characterized as hostile and nervous while low negative affect is characterized as calm and relaxed (Watson et al., 1988).

RESEARCH QUESTIONS AND HYPOTHESES

The following research questions will be investigated:

1. What is the correlation between the level of empowerment and the level of effectiveness in an organization as perceived by the organization's employees?
2. What is the moderating effect of leadership style on the empowerment relationship with OE?
3. Is the relationship between empowerment and OE influenced by common variance due to affect or by the moderating effect of affect?
4. Does affect or empowerment mediate the relationship between leadership and OE?

5. Are there differences in results at an organizational level of analysis as opposed to an individual level of analysis? If so what are the differences?

Research has found a positive relationship between empowerment and organizational effectiveness through corporate case studies, individual level analysis (Kanter, 1984; Kouzes & Posner, 1987; McClland, 1975) and organizational level analysis (Vandenberg, 1996).

Therefore it was hypothesized that:

Hypothesis 1: There will be a significant positive correlation between empowerment perceived by employees and OE as perceived by employees to be experienced by an organization.

Avolio and Bass (1991) proposed that transformational leadership would be most highly correlated with effectiveness followed by transactional and non-transactional styles of leadership. While this finding suggests that transformational leadership would itself be related to effectiveness, the current study proposed that leadership and particularly transformational leadership style would be a moderator of the relationship between empowerment and OE. Therefore, it is hypothesized that:

Hypothesis 2: The relationship between empowerment and OE will be moderated by the level of leadership style. A higher relationship between empowerment and OE will occur under higher transformational leadership with non-transformational styles showing modest to low relationships between empowerment and OE. The degree of transformational leadership experienced by the employee is a moderator of the two constructs as displayed in Figure 1. This relationship was tested at both aggregate-level and individual-level analysis.

Research indicates that "positive" affective states facilitate decision quality and interpersonal performance as well as other general indicators of performance (Staw & Barsade, 1993). The feelings that workers experience can have substantial effects on their thinking and behavior exhibited in organizations. People high on positive affect tend to perceive stimuli, think, and behave in ways that support and maintain their positive feelings (George, 1996). To assess the impact of affect on the empowerment-OE relationship, and to demonstrate that a true relationship between empowerment and OE exists and is not just a product of the shared variance due to affect it was hypothesized that:

Hypothesis 3a: A relationship between empowerment and OE will exist even after the variance due to affect is partialled out. The relationship between empowerment and OE is not a result of shared variance due to affect.

Hypothesis 3b: Affect will moderate the empowerment relationship with OE. Testing affect as a moderator variable will determine whether affect influences the relationship between empowerment and OE.

A more direct link between empowerment practices and types of leadership must be studied because of the large number of leadership practices that are identified as empowering (Conger & Kanungo, 1988). Organizations and teams led by transformational managers have been found to be significantly more effective than those managed by transactional managers (Bass and Avolio, 1994). However, Kanter points out that participative management (empowerment promoter) is important more as a method for achieving results, than as an end in itself. Research also indicates that affective states may facilitate general indicators of performance (Staw & Barsade, 1993). Therefore it is hypothesized that:

Hypothesis 4: The relationship between leadership style and OE will be mediated by empowerment and by affect. Unlike

H2, which proposes an interaction between leadership style and empowerment in assessing moderation, H4 proposes that there will be a main effect between leadership style and OE. This hypothesis will test for indirect effects between leadership style and OE, one through empowerment and the alternative through affect.

Chapter II

LITERATURE REVIEW

Empowerment

Empowerment has become a widely used word among organizational science as stated by Thomas and Velthouse (1990) in reviewing research focusing on leadership. Both management researchers and practitioners have focused on the concept of empowerment and management practices for several reasons, one of which is that the practice of empowerment is a principal component of organizational effectiveness (Kanter, 1983; McClelland, 1975). Moreover, in analyzing power and control within organizations it has been found that productive forms of organizational power and effectiveness grow with increased sharing of power and control with subordinates (Kanter, 1979; Tannenbaum, 1968).

However, what is empowerment? The concept of empowerment has been described through various terms such as participation, and involvement. In addition to it's various descriptions empowerment has also been defined in several ways.

Rappaport (1984) using a multiple level of analysis found that empowerment was a process by which people,

organizations and communities gained mastery over their lives. Conger and Kanungo (1988) defined empowerment as motivational processes in workers, thus allowing researchers the ability to study the empowering effects of various interventions. Thomas and Velthouse (1990) described empowerment in terms of a cognitive model defined as increased intrinsic task motivation. However, despite the role of empowerment in management theory the understanding of the construct has tended to be limited and confusing (Conger & Kanungo, 1988). For instance, in many cases empowerment had been equated to power with no further analysis. In discussing the construct of empowerment, Conger and Kanungo (1988) describe two approaches in which empowerment can be viewed.

Empowerment as a Relational Construct - Power is seen as a relational concept that describes the perceived control that an individual or organizational unit has over another. Here performance is not only contingent on the individual but on what others do and/or in how others respond. This construct is based on social exchange theory. In this context, power is seen as a sharing of authority (Burke, 1986). As a result, most of the management literature on empowerment deals with sharing power or delegating authority such as through participative management (Conger & Kanungo, 1988).

Empowerment as a Motivational Construct - The

motivational construct found in the psychology literature describes power as internal expectancy belief-states.

Bandura (1986) describes this as a belief in self-efficacy. Here empowerment is seen as enabling by motivating through enhancing self-efficacy. "Efficacy beliefs play a central role in the cognitive regulation of motivation" (Bandura, 1997, p. 122).

Conger and Kanungo (1988) state that conditions that foster powerlessness within an organization should be identified and replaced with empowerment strategies thus opening the opportunity for the empowerment process to work. For Conger and Kanungo, the empowerment process is described as five stages encompassing the psychological state of empowerment, its antecedents and its behavioral consequences (see Figure 2). Conger and Kanungo's model illustrates empowerment as the motivational concept of self-efficacy. However Thomas and Velthouse (1990) argued that empowerment could not be explained by a single facet but needed to be a multifaceted explanation in order to capture the whole essence of the concept. They more broadly defined empowerment, as "increased task motivation manifested in a set of cognitions reflecting an individual's orientation to his or her work role" (Spreitzer, 1995a, p. 1443). In addition to Conger and Kanungo's self-efficacy, termed "competence" in Thomas and

Velthouse's model, the four cognitions include competence, meaning, choice and impact (see Figure 3).

Drawing from the conceptualization of intrapersonal empowerment in the workplace by Thomas and Velthouse, Spreitzer (1992), independently using a thematic analysis

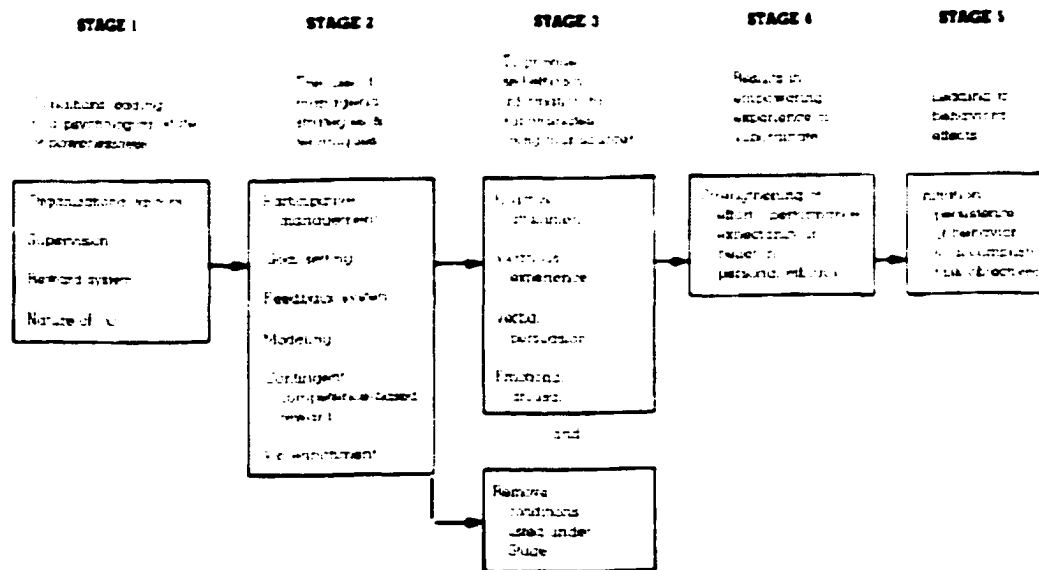


Figure 2. Conger & Kanungo's five stages in the process of empowerment.¹

¹ From "Cognitive elements of empowerment: an 'interpretive' model of intrinsic task motivation," by K.W. Thomas and B.A. Velthouse, 1990, Academy of Management Review, 15, p.670. Copyright 1990 by ACAD OF MGMT. Reproduced with permission of ACAD OF MGMT.

of the interdisciplinary empowerment literature and individual interviews of personal experiences of empowerment in the workplace, identified a similar set of dimensions. The common set of dimensions defining the

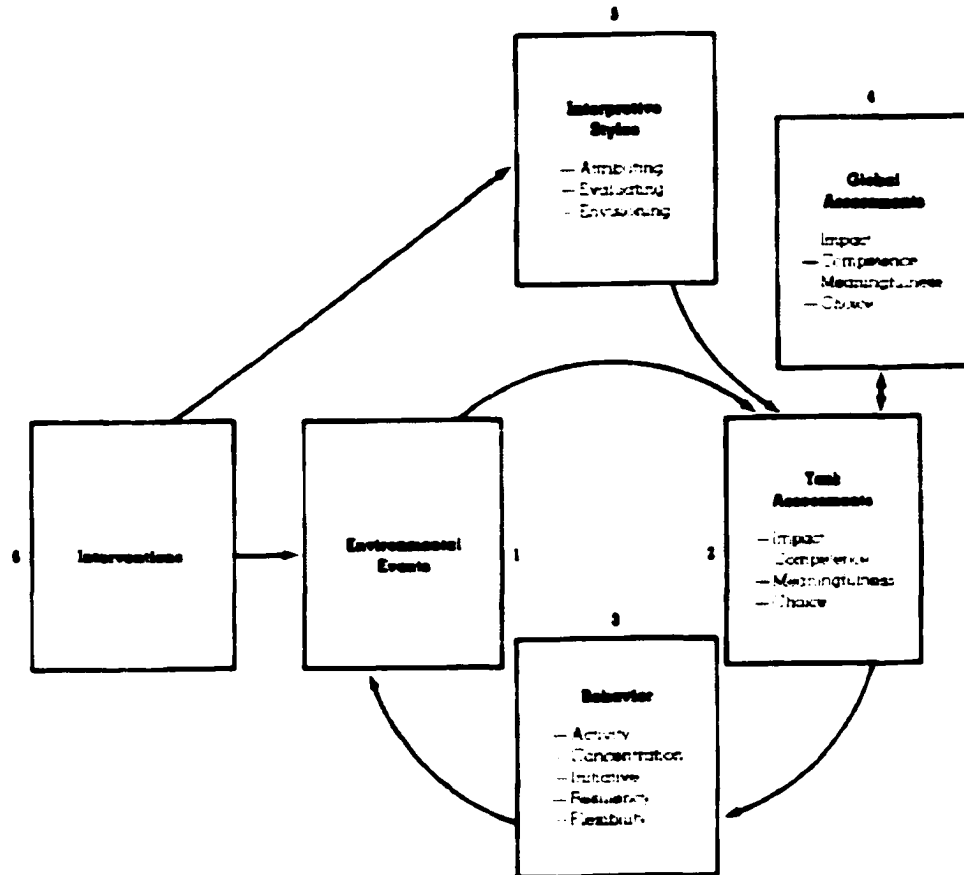


Figure 3. Thomas and Velthouse's Cognitive Model of Empowerment.²

² From "The empowerment process: integrating theory and practice," by J.A. Conger and R.N. Kanungo, 1988, *Academy of Management Review*, 13, p. 475. Copyright 1988 by ACAD OF MGMT. Reproduced with permission of ACAD OF MGMT.

psychological sense of empowerment include meaning, competence, self-determination, and impact (Spreitzer, 1995b). Spreitzer defined psychological empowerment as a motivational construct manifested in these four cognitions. According to Spreitzer, the cognitions play an active rather than passive role in the work setting and together create an overall construct of psychological empowerment. For Spreitzer, empowerment is a continuous variable and specific to the work domain (Spreitzer, 1995a).

Four Dimensions of Empowerment

Meaning is the "intrinsic caring about a given task" (Thomas & Velthouse, 1990, p.672). It is the value of a work goal or purpose in relation to an individual's standards (Spreitzer, 1995a). It is the fit between the requirements of an individual's work role and beliefs, values and behaviors (Hackman & Oldham, 1980). The task is said to have meaning if there is a fit.

According to Thomas and Velthouse (1990), a sense of meaning results in an investment of energy to the task. Spreitzer found that higher levels of meaning are associated with higher levels of commitment and involvement because the individual is personally connected with the task.

Competence is equivalent to Conger and Kanungo's (1988) self-efficacy concept. It is an individual's belief that

he or she can successfully perform given activities with skill (Bandura, 1977; Gist, 1987). According to Bandura (1989) competence is analogous to personal mastery or effort-performance expectancy. The dimension is not labeled as self esteem because focus is placed on efficacy specific to the work role not global efficacy (Spreitzer, 1995a).

Self-determination is a sense of choice between action and inaction (Deci, Connell, & Ryan, 1989). It reflects autonomy over the initiation and continuation of work behavior and processes, such as making decisions about work methods, pace and effort expended (Bell & Staw, 1989). Employees feel ownership over their work behavior because it emanates from within not from controlling external sources.

Impact is the degree one can influence organizational outcomes in one's department or work unit (Ashforth, 1989). It is the opposite of learned helplessness. According to Thomas and Velthouse (1990), a lack of impact can lead to learned helplessness.

These four dimensions reflect Zimmerman's (1995) intrapersonal component of empowerment as both cognitive and motivational. Previous research (Spreitzer, 1995b) has implied that intrapersonal empowerment has a mediating influence in the workplace meaning "empowerment mediates the relationship between the social structural context and

behavioral outcomes" (p. 601). However, individual cognitions of empowerment are linked with individual interpretations of the work environment instead of "objective" characteristics of the work environment. Zimmerman (1995) states that in order for individuals to feel empowered they must have a critical awareness of their environment. The current study proposed that empowerment mediates the relationship between leadership style and OE, however, the study primarily examined empowerment as an independent variable and examined the role of leadership style as a moderator of empowerment and OE.

Zimmerman (2000) points out that on an organizational level of analysis empowerment may include organizational processes and structures that enhance participation and improve organizational effectiveness for goal achievement. In keeping with this premise, it was proposed that empowerment is a part of the puzzle and not the whole puzzle in itself. Zimmerman (2000) makes a distinction between empowering processes and outcomes. Empowering processes on an organizational level may include shared leadership and decision-making. Empowered outcomes may include situation specific perceived control, skills and proactive behaviors such as organizational networks or effective resource acquisition in organizations.

Zimmerman suggests that mechanisms of empowerment include individual competencies, proactive behaviors,

helping systems and organizational effectiveness.

Zimmerman (2000) states that empowered organizations successfully thrive in competition, meet goals and develop in ways that enhance their effectiveness. They provide opportunities for people to gain control over their lives and develop skills. It has been found that organizations with shared responsibilities; supportive atmospheres and social activities are more empowering than hierarchical organizations (Maton & Rappaport, 1984). Since empowerment is believed to be an interaction between individuals and environments (Zimmerman, 1990), the current research looked at multiple aspects of an organization. In order to build our understanding of effective leadership, Conger and Kanungo (1988) believe that a more direct link between empowerment practices and leadership should be studied.

Organizational Effectiveness (OE)

It has been argued that organizational effectiveness is a central theme in organizational analysis and that it would be hard to think of an organizational theory that does not include an effectiveness construct (Goodman & Pennings, 1977). However, there is no consensus on a theory of effectiveness since it seems to involve a tailored application for each organization under study (Quinn & Rohrbaugh, 1983). Given this ambiguity Steers (1975) and Campbell (1977) suggested to identify all

variables pertaining to organizational effectiveness and then determine the similarity among variables. Campbell arrived at 30 criteria for effectiveness some of which included profit, quality, job satisfaction, and goal consensus (Goodman & Pennings, 1980).

There have been several approaches used to study effectiveness. Most tend to draw on one or a combination of three major approaches, which include goal attainment, system resource, and reputational approach.

Goal attainment: Some of the earliest models of organizational effectiveness focused on goals (Steers, 1977). Early researchers based this approach on the assumption that an organization's goals are identifiable and unambiguous. Effectiveness was measured by how well an organization succeeded in meeting its goals. It used objective measures corresponding to organizational goals as indicators of effectiveness and used quantifiable archival data (Forbes, 1998). However, studies such as those by Vroom (1960) suggest that there is little consensus by senior managers with respect to organizational goals. Based on this lack of consensus Mohr (1983) believed that the approach was insufficient because he felt that inadequate goals could not lead to effectiveness.

System resource: This approach defined effectiveness as survival and measured effectiveness through the organization's ability to exploit resources for its own

purposes. It also used quantifiable archival data (Forbes, 1998). Systems models focused on the means to achieve goals however; according to Mohr (1983) the approach did not overcome the possibility of using unsatisfactory measures.

In the late 1970's the concept of organizational effectiveness was examined by several management researchers with the conclusions that there was no universal model of organizational effectiveness and that it was more beneficial to develop new ways of assessing organizational effectiveness (Cameron, 1982; Cameron & Whetten, 1983). This new perspective gave rise to multidimensional approaches to studying the effectiveness of organizations. The multidimensional approach measured effectiveness in different ways simultaneously including a combination of measures using goal attainment and system resource approaches. A variant of this approach is the competing values framework (CVF) that encompasses dimensions such as organizational focus, structure and means-and-end assessment (Quinn & Cameron, 1983). The CVF was based on past attempts to formalize organizational effectiveness criteria (Quinn & Rohrbaugh, 1983). Starbuck and Nystrom (1983) stated that the multidimensional approaches were verification that organizations include ambiguous, incomparable and inharmonious goals. This realization and the exploration of effectiveness criteria

led to the development of the perception-based or reputational approach (Forbes, 1998).

Reputational (constituency approach) - This approach associates effectiveness with the self-reported opinions of key persons such as clients, or service professionals (Forbes, 1998). Forbes states that a new approach to effectiveness evolved through conceptualizing effectiveness as the interaction between organizational participants and the environments in which they function. This approach, known as the emergent approach, looks to understand the interactions between and among organizations that lead to the development of effectiveness criteria as well as the role that communication and information play in shaping effectiveness judgements. In this approach the meaning of effectiveness is created by individuals within the organization, and is specific in context to the organization and capable of evolving as communication continues.

Leadership

Theories of Leadership

It has been claimed that in 1896, the United States Library of Congress had no book on leadership and within a span of eighty-five years there were over 5000 entries on leadership, as noted by Bass in the early 1980's (Heller, ¶ 1). Through the years there have been many different

definitions of leadership and extensive research focusing on different aspects of leadership. There have also been several trends in leadership research as illustrated by the timeline below (BUAD 304, 1997, Leadership Research section, ¶ 1):

- 1920's-1950's focus on "traits" of effective leaders
- 1950's-1960's focus on "behaviors" of effective leaders
- 1960's-1970's "situational leadership"
- 1970's-1980's "symbolic role of leaders"
- 1980's-1990's return focus to "traits" and "behaviors"
- 1990's leadership in multicultural settings

The word "style" in leadership literature is equivalent to how leaders influence followers and the implications of style run throughout the theories on leadership. Stogdill, in reviewing seventy-two definitions of leadership applied by writers from 1902 to 1967, found that almost all definitions of leadership imply that it is a social influence (Cummings & Staw, 1990). In defining leadership, Bass (1990) summarizes that:

Leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as particular behavior, as a form of persuasion, as a power relation, as an instrument to achieve goals, as

an effect of interaction, as a differentiated role, as initiation of structure, and as many combinations of these definitions (p. 11).

Theories of leadership have attempted to explain the factors involved either in the emergence of leadership or in the nature of leadership and its consequences (Bass, 1990). To illustrate this point, an overview of some of the better-known theories and models of leadership are cited below.

Great Man/Trait Theory: The trait theorists stressed that individuals are born with certain personality traits related to leadership success and believed that once these traits were identified they could be used to select leaders. Individual traits such as birth order, intelligence, socioeconomic status and child-rearing practices were investigated (Bass, 1960). Stogdill (1974) identified six categories of factors related to leadership, which included capacity, achievement, responsibility, participation, status and situation. However, attempts to isolate specific individual traits led to the conclusion that no single characteristic could distinguish leaders from non-leaders (Bass, 1990).

Behavioral Theories: Trait theories were followed by behavioral theories, which examined "what leaders actually do" rather than their characteristics (Crainer, 1996). Lewin's work on leadership styles, known as the Iowa

studies, proposed that leadership styles fall along a three-point continuum of autocratic, democratic and laissez-faire. Initial findings showed that the democratic style is more effective than autocratic and both were more effective than the laissez-faire style.

In studying what makes effective leaders effective the work led by Rensis Likert at the University of Michigan proposed a two-point continuum with production-centered at one end and employee-centered at the other. Further research conducted at Ohio State University reached similar conclusions using the Leader Behavior Description Questionnaire (LBDQ) proposing a two-dimensional model using the structures of consideration and initiation. Researchers at Ohio State described "consideration" as recognition of individual needs and relationships and "initiating" as task or goal oriented. Blake and Mouton later employed this idea in their dimensions of the managerial grid (Luthans, 1989).

Contingency Theories: The "situational leadership" approach contains an underlying assumption that different situations require different types of leadership. However, the contingency approach attempts to identify the situational variables that moderate the relationship between leader traits and performance criteria. Fiedler (1967) concluded that leadership styles illustrate a leader's motivational system and that leader behaviors are

a leader's specific actions. Fiedler asserted that group effectiveness was a result of leadership style and situational favorableness.

The path-goal theory, derived from the expectancy framework of motivation theory, attempts to explain the impact that leader behavior has on a subordinate's motivation, satisfaction and performance. House's (1971) path-goal theory included the interaction of leadership behaviors with situations to determine leader effectiveness. The leadership behaviors included directive, achievement-oriented, supportive and participative behaviors. House found that the situational variables that most strongly contributed to leaders effectiveness were subordinate personal characteristics and environmental demands such as organizational rules and procedures. Even though the contingency models contributed to a better understanding of leadership they did not completely clarify which combinations of leader behaviors and situational variables are most effective.

New Leadership: The 1970's and 1980's leadership literature focused again on "traits" as determinants of leader ability. The studies during this period introduced the new leadership characteristic of vision and explored its importance (Luthans, 1989). New theoretical formulations such as charismatic and transformational leadership evolved.

Max Weber's conception of charisma included those leaders who "...reveal a transcendent mission or course of action which may be in itself appealing to the potential followers, but which is acted on because the followers believe their leader is extraordinarily gifted" (House & Baetz, 1990, p.59). House (1979) identified charismatic leaders as those that by their personality are capable of having a profound effect on followers. Conger and Kanungo (1987) developed a framework to achieve charismatic leadership through developing a vision, communicating the vision, building trust and demonstrating ways to achieve the vision.

Burns (1978) identified two types of political leadership widely known as transactional and transformational leadership. He defined transformational leadership as one that:

...recognizes and exploits an existing need or demand of a potential follower. But, beyond that, the transforming leader looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. (p. 4)

Burns believed that transformational leadership resulted in mutual stimulation and elevation converting followers into leaders and leaders into moral agents. Burns classified transactional leaders as bureaucrats exchanging one thing for another. Bass (1990) states that the distinction of

transformational and transactional leadership has become of considerable importance to the study of leadership in general. Tichy and Devanna (1986) emphasized that transformational leadership facilitated the integration of change, innovation and entrepreneurship.

Bass (1985) using Burns' work argued for a shift in paradigm in order to achieve follower performance beyond ordinary limits, not just in leadership style but in organizational changes needed to support changes in attitudes, beliefs, values and needs. Bass (1985) argued that transformational leadership raises individual needs and desires to achieve more, to work harder and to strive for the highest levels of performance. As a challenge to Burns' (1978) assumption that transformational and transactional leadership were at opposite ends of a continuum Bass conceptualized the "augmentation effect" of transformational leadership. He asserted that leaders motivate followers by appealing to strong emotions not necessarily attending to positive moral values. Such motivation, according to Bass and Avolio (1994), is based on the leader's idealized influence or charisma, inspirational motivation, intellectual stimulation and individualized consideration described as:

Idealized Influence (II)- Transformational leaders behave in ways that result in they being role models. To earn this credit leaders consider the needs

of others over their own personal needs and can be counted on doing the right thing. Followers identify with the leader and want to emulate him/her (Bass & Avolio, 1994).

Inspirational Motivation (IM) - Transformational leaders behave in motivating and inspiring ways by providing meaning and challenge to their follower's work. This leader communicates expectations that followers want to meet and demonstrates commitment to goals and a shared vision (Bass & Avolio, 1994).

Intellectual Stimulation (IS) - Creativity is encouraged. Followers are encouraged to try new approaches to problems and new ideas are not criticized because they differ with the leader's ideas (Bass & Avolio, 1994).

Individualized Consideration (IC) - Individual differences in terms of needs and desires are recognized and accepted. This acceptance creates an environment that supports opportunities for new learning (Bass & Avolio, 1994).

Research shows that transformational factors correlate more highly with leader effectiveness than contingent rewards (Yammarino & Bass, 1990). Leadership research also shows the increasing importance transformational leadership has had in today's complex organizations (Alimo-Metcalfe, 1995). Avolio (1994) acknowledges that research has shown

that Malcolm Baldrige winners have tended to be organizations run by leaders seen as more transformational than their counterparts in the industry. Moreover, organizations and teams led by transformational managers have been found to be more effective than those led by predominantly transactional managers (Bass & Avolio, 1994; Kanter, 1984; Spreitzer et al., 1996). This research suggests a powerful argument for further understanding of leadership style implications. House and Baetz (1990, p.70) state that, "it is not clear how the subordinate's role orientation is affected by the leader. Is role orientation an effect of initial leader behavior or is it a stimulus that causes leaders to treat subordinates differently?"

Affect

In recent years, an increasing amount of attention has been paid to the role of affect in organizations. However understanding the role it plays in the outcomes of individuals and organizations is still an area of needed research (George, 1996). Affect is a broad term encompassing dispositions, emotions and moods. Hundreds of personality traits have been identified and studied through the years. Both positive affect (PA) and negative affect (NA) have consistently been ranked as two of the top general traits within the personality hierarchy.

According to George (1996) research has identified PA and NA as two separate personality dimensions. Positive affect being the disposition to experience positive emotions and moods while negative affect is the disposition to experience negative emotions and moods. As independent dimensions both affective states can range from high to low and be derived from both emotions and moods. Emotions are affective states directed to someone or something while moods lack an object and produce a more diffuse response. Weiss (2002) states that "affective responses like moods and emotions have a directional, that is positive or negative, character. However, they also have experiential, often physiological, components that go well beyond evaluation" (p. 3). The distinction George makes between affective dispositions and states is that dispositions (traits) endure over time and affective states fluctuate and change capturing how people feel at the moment.

Building on past research, George (1996) identified two individual level determinants of work moods as being affective disposition (PA and NA) and life events. The importance of work moods in the work setting has been established in organizational research. Research has shown that affective states can influence a variety of performance-related outcomes such as judgments, attitudinal responses, creativity, helping behavior and risk taking (Brief & Weiss, 2002). Brief, Butcher, and Roberson (1995)

found that high "negative affect" individuals might respond with less pleasure when experiencing positive job events. Additionally Fried, Levi, Ben-David, and Tiegs (1999) found that "negative" affect raters have less inclination to deliberately inflate ratings than raters low in "negative" affect. Research also indicates that "positive" affective states facilitate decision quality and interpersonal performance as well as other general indicators of performance (Staw & Barsade, 1993).

This study examines affect as a state in the work setting to understand how affective states impact the interplay of empowerment, leadership and organizational effectiveness. More specifically, the traitlike stability of dispositional affect will be studied using longer-term instructions of the PANAS mood scale. The study examines affective states as they are "generally" experienced in the work setting.

CHAPTER III

METHOD AND PROCEDURES

Participants

Participants were recruited from eight divisions and eight regions that make up the federal agency under study. The agency implements a national workforce system that provides workers with the information, advice, job search assistance and income support to get and keep good jobs and provide employers with skilled workers. As such the agency encompasses divisions with unique responsibilities each contributing to an overall departmental goal. Each division has approximately 13 staff employees under each Division Chief. The regions include Region I (Boston), Region IA (New York), Region II (Philadelphia), Region III (Atlanta), Region IV (Dallas), Region IVA (Denver), Region V (Chicago, Kansas City) and Region VI (San Francisco, Seattle). Each region has approximately 35 staff employees under each Regional Director. An estimated 225 subjects participated in the study.

The criterion for inclusion in the study was that participants be employed as line staff or support staff in

a division or regional office. Staff employees were chosen because they are under direct supervision by a manager on a regular basis. Each leader's leadership style was assessed in the study, however to avoid a possible confound in results leaders were not included in the study.

Variables and Controls

Independent Variables: The research design of this study includes two independent variables, empowerment and leadership style. Both of these variables are continuous-type variables. Each variable was first centered by subtracting it's mean before multiplying to create an interaction term.

Dependent Variables: The research design of this study includes one primary dependent variable, organizational effectiveness, and it's three components (HP, PA, SQ). All DV's are continuous variables.

Additional Variables: Affect was studied in addition to the independent variables in the study.

Measures for IV's and DV's

Empowerment Measure: Empowerment was studied as a single construct using Spreitzer's (1995a) measure of psychological empowerment (see Appendix B). The definition of empowerment by Thomas and Velthouse (1990) was used. The definition states that empowerment is intrinsic

motivation manifested in four cognitions: meaning, competence, impact and choice. Spreitzer's (1992) measure is comprised of 12 items, which assess the four dimensions cited above. All questions were measured on a seven-point Likert-like scale. Higher scores represent higher levels in the construct.

The measure was chosen instead of using individual measures such as self-efficacy and motivation as used in other research because it allows for a comprehensive assessment in the work setting. Also, although the measure is relatively new, it has shown sound psychometric properties. The Cronbach alpha reliability for overall empowerment measure is .74 and reliabilities for each scale range from .81 to .88. The total scale has a lower reliability than the subscales because of low interrelations between subscales, with the average interrelation being .39 (Spreitzer, 1995b).

Leadership Style Measure: Leadership style was studied using the most commonly employed measure of transformational and transactional leadership, the Multifactor Leadership Questionnaire (MLQ) Form 5x (see Appendix C). The MLQ was chosen over other instruments such as the Leader Behavior Description Questionnaire

(LBDQ), the Leadership Effectiveness and Adaptability Description (LEAD) and the Least Preferred Co-worker (LPC) measure. For purposes of this study the MLQ more fully represented the assessment of styles of interest and best compared with the other variables of interest (empowerment and OE). It has sound psychometric properties and has been widely used as a reliable measure to assess transformational and transactional leadership style.

The distinction made by Bass and Avolio (1994) of transformational vs. transactional leadership style was used. It states that transformational leaders do more with colleagues and followers than set up simple exchanges or agreements. They behave in ways to achieve superior results by employing one or more of the "Four I's": idealized influence (II), inspirational motivation (IM), intellectual stimulation (IS) and individualized consideration (IC). The instrument (Avolio & Bass, 1991) is comprised of nine factor scores; six had been used previously in MLQ Form 5R and three were newly created. The leadership constructs included in the MLQ Form 5x are: idealized influence (attributed, behavior), inspirational motivation, intellectual stimulation, individualized consideration, contingent rewards, management-by exception-

active, management-by exception-passive and laissez-faire. Two confirmatory factor analyses, using PLS and LISREL, resulted in the selection of 45 items in the MLQ Form 5x. Responses to the questions are indicated on five-point Likert-like scales. The MLQ scale scores are average scores for the items on the scale. Summing the items and dividing by the number of items that make up the scale produces the score.

Transformational leadership was assessed using the items pertaining to the "Four I's." Transactional leadership was assessed using only the items pertaining to contingent reward in the MLQ. Management-by exception-active (MBEA), management-by exception-passive (MBEP) and laissez-faire (LF) are also styles included in the MLQ, however, they were not used in the analysis because the primary interest of the study were the contributions of transformational and transactional leadership.

This latest version of the MLQ has been used in nearly 200 research programs, doctoral dissertations and Master's theses around the world over the last four years. Reliabilities for the total items and for each leadership factor scale ranged from .74 to .94 (Bass & Avolio, 1995).

Organizational Effectiveness Measure: This measure is a composite measure because it includes several criteria (high performance, greater public accountability and service quality). It was created using the methodological concept introduced by Rohrbaugh and Quinn (1980) in which effectiveness judgements identify criteria to be weighted and integrated to produce an overall evaluation of effectiveness for each division/region based on the three key result areas. The dimensions of performance were derived based on the Nebeker et al. (1994) productivity gainsharing model, which assesses organizational performance by identifying key result areas and performance indicators. Key result areas are areas within the organization that are essential to meeting the mission objectives of the organization and strategic goals. Performance indicators are how the key result areas are measured. The measure to assess effectiveness was created through preliminary information gathered through a questionnaire (See Appendix E) distributed to all eight Division Chiefs and seven Regional Directors. The purpose of the questionnaire was twofold:

1. Obtain operational definitions for the three key result areas identified as high

performance, greater public accountability and service quality as they pertain to the federal agency as a whole and to each division/region. Identify performance indicators that describe how each key result is accomplished within each division and regions.

2. Rank each key result and performance indicator pertaining to the agency as a whole and within each division. Highest ranked indicators will be selected for survey inclusion.

The information provided was used to create the measure to assess organizational effectiveness. Follow-up interviews with each Division Chief and Regional Director were held to clarify questionable data. Three to four performance indicators were selected (based on ranking) to describe each key result. In order to make the key result areas comparable throughout the federal agency, an overall operational definition for each key indicator was developed with the assistance of the agency Administrator.

Each criterion was ranked by each division leader (see item 2) using the questionnaire (see Appendix E) and assessed by the researcher to determine the contribution of each element in relation to the construct of organizational

effectiveness for the organization. Lower scores indicated a more "important" element. The organizational effectiveness survey distributed to the staff used a five-point scale for scoring responses.

Affect measure: The Positive and Negative Affect Schedule (PANAS) developed by Watson et al. (1988) was used as the measurement instrument for assessing affect in the organization. The instrument differentiates between state and trait effects. This measure was chosen over other measures of affect (Occupational Positive and Negative Affect Scale, Faces Scale, Well-Being Scale from the Multidimensional Personality Questionnaire) because of its ability to measure both positive and negative affect using various time specifications ("at the present moment" for state, "you generally feel this way" for trait) and its sound psychometric properties. Several studies have used The PANAS measure to tailor independent measures of PA and NA.

Positive and negative affect were measured as two separate dimensions with 10 items each and as a single dimension of affect (20 items) by reverse scoring the 10 negative affect items. Respondents were asked to indicate the extent to which they "generally feel this way" using a

5-point scale ranging from very slightly to extremely. The longer-term instructions of the PANAS mood scale that read, "generally feel this way" were used to capture the traitlike stability of the items. The 10 positive items and the 10 negative items are summed with higher scores indicating a higher level of each. The alpha reliabilities of the PA and NA scales for non-student samples are .86 and .87. The correlation of positive affect and negative affect for the current study was negative and low ($r = -.13$) indicating bivariate dimensions.

The current research studied affect on both a bivariate and bipolar dimension. To create the single dimension of affect the negative items on the PANAS scale were reverse-scored to ensure consistency in the rating scale. Reverse scoring allows for combining the positive (10 items) and negative (10 items) scales into a single PANAS scale (20 items).

Demographic measures: The demographic variables of gender, age, education, income, tenure and race were collected to analyze for confounding effects (See Appendix D). These variables were selected because they are some of the most common descriptors collected in surveys according to Fowler (1995). Tenure was included to see if there is a

difference in the levels of empowerment between established and new employees. All information was collected by the distribution of a form that was filled out upon completion of the other surveys. Numbers were assigned for record keeping purposes. No names were used.

Procedures

To promote 100% participation agency participants were gathered at divisional and regional all-employee meetings where they were asked to fill out the questionnaires distributed in a packet (approximate completion time 25 minutes). The packet included the following measures: Empowerment Measure, Multifactor Leadership Questionnaire, Effectiveness Measure, Affect Measure and demographic form. Subjects were asked to fill out the questionnaires at one sitting during working hours.

Regional employees returned their completed surveys to the regional contact before leaving the meeting at which time they were placed in a self-addressed envelope and sent to the researcher. Once all the surveys were collected the regional contact read a debriefing statement. Personal submission to the researcher was the method of return at the divisional level. The researcher collected all the completed surveys from the participants during employee

meetings where they were then debriefed.

Confidentiality and voluntary participation was stressed through a cover letter explaining the purpose and process of the study (see Appendix A). They were also notified that the study was for research purposes only and that the information would not become part of their Personnel Record. Employees were given the option to be put on a mailing list of study results via E-mail or mail.

Statistical Design

Hypothesis 1: Hypothesis 1 posed the question, "Is there a positive correlation between the level of empowerment and the level of effectiveness in an organization?" The hypothesis was tested by a simple correlation coefficient between empowerment and OE. Operationally, the independent variable of empowerment was defined as a single construct using Spreitzer's (1995) measure of psychological empowerment. The dependent variable of organizational effectiveness is comprised of three components. For the government organization under study these components are (a) high performance, (b) public accountability and (c) service quality. The data was aggregated at the organizational level (division, region) by averaging the individual scores of empowerment and OE within each division/region. A correlation coefficient was

calculated for empowerment and OE at each division/region as the unit of analysis (N=16). Each variable was centered by subtracting the mean before multiplying. The hypothesis was also tested at the individual level (N=225) after partialling out the variance for division/region.

Hypothesis 2: The moderating effect of leadership style on the relationship between empowerment and organizational effectiveness was tested by calculating interaction terms. Leadership style scores were multiplied by empowerment scores and entered into a hierarchical regression. Each variable was centered by subtracting the mean before multiplying. It was expected that for offices with employees who feel they are led by highly effective transformational leaders the effectiveness ratings would be more closely related to OE. This would be shown by the interaction term contributing significant variance to the regression equation. This hierarchical regression was performed at an organizational and individual level of analysis as with Hypothesis 1.

Hypotheses 3a: To demonstrate that the empowerment-OE relationship was not a result of the third variable problem due to affect, affect was tested as a mediator variable

using Baron and Kenny's procedure.

As described by Baron and Kenny (1986), a mediating effect can be assessed in the following manner:

To test for mediation, one should estimate the following regression equations: first, regressing the mediator on the independent variable(s); second, regressing the dependent variable on the independent variable(s); and third, regressing the dependent variable on both the independent variable and the mediator.

To establish mediation, the following conditions must hold: First, the independent variables must affect the mediator in the first equation; second, the independent variable must be shown to affect the dependent variable in the second equation; and third, the mediator must affect the dependent variable in the third equation. If these conditions all hold in the predicted direction, then the effect of the independent variable on the dependent variable must be less in the third equation than in the second. (p. 1177)

To demonstrate that the relationship between empowerment and OE was not due to shared variance affect was partialled out of the empowerment-OE equation. Consistent with H1, it was expected that the zero-order correlation between empowerment and OE would be significantly greater than zero and that even though the

variance due to affect was removed there remains a significant relationship between empowerment and OE. In this study affect was used to control for the response bias that people with positive affect give positive responses and negative affect people respond negatively.

Hypothesis 3b: To check for the moderating effects of affect, affect was multiplied by empowerment after centering and entered into a hierarchical regression to assess additive value.

Hypothesis 4: To assess whether leadership style is a driving force of OE two mediation models using empowerment and affect were tested using Baron and Kenny's procedure (1986). It is hypothesized that the relationship between leadership style and OE will be mediated by empowerment and affect. The hypothesis tests for indirect effects through empowerment and affect. The alternative hypothesis is that there is a direct link between leadership style and OE.

In each model the mediator (empowerment, affect) was partialled out of the leadership style-OE correlation. Descriptive statistics were used to analyze the demographic data.

CHAPTER IV

RESULTS

A total of 225 individuals participated in the study out of a possible 316 resulting in a 71% response rate. Division employees represented 48% of the sample and region employees represented 52%. Thirty-eight percent of the participants had worked for the organization for five years or less with the majority of participants paid a salary of \$57,000 a year (GS-12 level) or higher (63%).

The participants were equally distributed in gender (105 each). Most participants belonged to the 45 to 64 age bracket (58%) followed by the 30 to 44 age bracket (22%). Race was not evenly distributed among the participants. Most were White (118) followed by Black (47), and Asian (11). The "other" category accounted for only seven percent of the sample and predominately identified themselves as Hispanic. Fifty-two percent of the participants had attended college with 28% having completed a graduate degree.

Reliability Analysis

Measures. Descriptive statistics for the Positive Affect Negative Affect Scale (PANAS) (Watson, 1988),

Empowerment Measure (Spreitzer, 1992), and the MLQ Multifactor Leadership Questionnaire (Bass & Avolio, 1995) are presented in Table 1.

Table 1
Descriptive Statistics of Measures and Subscales (N=225)

Measure	# of Items	Mean	Std. Dev	Min/Max	Alpha
PANAS	20	3.97	.41	2.83/4.78	.83
Positive Affect	10	3.44	.70	2.81/3.81	.87
Negative Affect	10	1.61	.56	1.24/2.12	.85
Empowerment*	12	4.92	.89	3.44/5.82	.88
Leadership					
Transformational	20	2.36	.89	.71/2.80	.94
Transactional	4	2.44	1.03	2.13/2.73	.83
MBE (passive)	3	1.18	.86	.80/1.49	.74
MBE (active)	4	1.48	.97	1.17/1.89	.75
Laissez-faire	4	.74	.81	.66/.82	.79

*Seven point scale

Internal consistency reliability coefficients were calculated for the predictor variables and their respective subscales as shown in Table 1. Although the study primarily tested positive and negative affect as two

independent dimensions, affect was also tested as a single dimension. To test affect as a single dimension the negative items on the PANAS scale were reverse-scored for consistency in the rating scale. Items were reverse-scored by subtracting the number six from each score within the five-point negative affect scale. Reverse scoring allows for combining the positive (10 items) and negative (10 items) scales into a single PANAS scale (20 items).

The leadership style measure assessing transactional style only included items pertaining to contingent reward (CR) (MindGarden, personal communication, July 25, 2002). An inter-item analysis of the management-by-exception (passive) (MBEP) scale showed that Item 17 ("Shows that he/she is a firm believer in 'If it ain't broke, don't fix it'") was not as highly correlated with the other three items. Deleting item 17 would increase the subscale's alpha coefficient from .63 to .74. Therefore, if the scale had been used only three out of four items pertaining to management-by-exception (passive) would have been included in the scale. However, only the transactional and transformational leadership styles were used in the analysis.

Descriptive statistics and internal consistency reliability coefficients for the subscales of the OE measures are presented in Table 2 through Table 4. Even though the organization under study shares the same

constructs of effectiveness (high performance, public accountability, and service quality), the specific questions to assess each subscale are different for each division. Therefore, each subscale of the OE measure is analyzed individually to reflect the unique items pertaining to each divisions/region's concept of effectiveness. However, the same subscale questions were used to assess all eight regions, as such the term "Regions" was used to identify all of the regions together.

Table 2
Descriptive Statistics of the High Performance Subscales

Subscale	# of Items	Mean	Std. Dev	Min/Max	Alpha
High Performance					
Division 1	4	1.90	.77	1.70/2.20	.89
Division 2	4	2.03	.68	1.78/2.35	.81
Division 3	4	2.55	.86	2.50/2.60	.80
Division 4	4	2.50	1.01	2.20/2.73	.81
Division 5	4	2.39	1.00	1.91/3.00	.84
Division 6	4	1.84	.90	1.54/2.00	.91
Division 7	4	2.69	.89	2.50/2.83	.85
Division 8	4	2.28	1.06	2.16/2.50	.90
Regions	4	2.33	.81	2.04/2.86	.83

Table 3 presents a tabular description of the quantitative properties of each divisions/region's public accountability subscale.

Table 3

Descriptive Statistics of the Public Accountability Subscales

Subscale	# of Items	Mean	Std. Dev	Min/Max	Alpha
Public Accountability					
Division 1	4	2.13	.96	1.90/2.40	.87
Division 2	4	2.02	.52	1.85/2.21	.80
Division 3	4	2.00	.90	1.80/2.20	.97
Division 4	4	3.21	.81	2.85/3.62	.93
Division 5	4	2.50	1.10	2.30/2.69	.78
Division 6	4	1.80	.77	1.55/2.00	.90
Division 7	4	2.71	.70	2.50/2.83	.78
Division 8	4	2.11	1.02	1.94/2.41	.94
Regions	4	2.38	.91	2.24/2.67	.90

The inter-item analysis of the service quality scale for Division 2 showed that Item 11 ("How effective is your division on maintaining an accurate website") was not as highly correlated with the other two items. Deleting item 11 would increase the subscales alpha coefficient from .53 to .67. The service quality scale is the only subscale

comprised of three items and not four. Although .53 is not an ideal reliability coefficient the item was not deleted to maintain the maximum number of subscale items at three. Table 4 presents a tabular description of the quantitative properties of each divisions/region's service quality subscale.

Table 4
Descriptive Statistics of the Service Quality Subscales

Subscale	# of Items	Mean	Std. Dev	Min/Max	Alpha
Service Quality					
Division 1	4	2.03	.76	1.60/2.30	.72
Division 2	4	1.98	.48	1.85/2.07	.53
Division 3	4	1.90	.95	1.70/2.00	.94
Division 4	4	2.60	1.00	2.40/2.80	.88
Division 5	4	2.85	.98	2.53/3.15	.82
Division 6	4	2.03	.97	2.00/2.09	.95
Division 7	4	2.83	1.21	2.75/3.00	.91
Division 8	4	2.14	.74	1.76/2.41	.70
Regions	4	2.00	.88	1.89/2.15	.88

Distributional Characteristics

Individual analysis (N=225) of the data showed that OE had the largest skewness and kurtosis coefficients. The skewness and kurtosis coefficients reveal that the

deviation from normality is not of any practical significance. The resulting values are shown on Table 5.

Table 5

Distributional Statistics of Measures and Subscales (N=225)

	Affect	Empower	OE	Transac	Transform
N valid	219	225	223	222	224
missing	6	0	2	3	1
Median	3.95	5.00	3.88	2.5	2.40
Std. Dev	.41	.89	.80	1.03	.88
Variance	.17	.79	.65	1.06	.79
Skewness	-.17	-.48	-.89	-.42	-.32
Std. Error	.16	.16	.16	.16	.16
Kurtosis	-.03	.44	.70	.32	-.45
Std. Error	.32	.32	.32	.32	.32

Moreover, when analyzed on an organizational level basis (N=16), a more approximately normal distribution is shown for all measures. The resulting values are shown on Table 6.

Hypothesis Testing

Hypothesis 1 (organizational). Hypothesis 1 stated that there would be a positive correlation between the level of empowerment and the level of effectiveness in the

Table 6

Distributional Statistics of Measures and Subscales (N=16)

	Affect	Empower	OE	Transac	Transform
N valid	16	16	16	16	16
missing	0	0	0	0	0
Median	4.00	4.86	3.80	2.34	2.36
Std. Dev	.12	.28	.34	.46	.36
Variance	.014	.078	.11	.21	.12
Skewness	.71	1.08	.05	.84	.11
Std. Error	.56	.56	.56	.56	.56
Kurtosis	.88	1.52	-.77	.22	-.50
Std. Error	1.09	1.09	1.09	1.09	1.09

government organization studied. Correlation coefficients were computed to evaluate the relationship between empowerment and OE. For a correlation matrix of all study variables refer to Appendixes H and I.

A bivariate correlation was calculated using the independent variable of empowerment as a single construct. The data were analyzed on two levels: aggregate and individual. The data were aggregated by averaging the individual scores of empowerment and the individual scores of OE by division and by region resulting in an N of 16. Results showed that there was a significant positive

correlation on an aggregate level of analysis between empowerment and OE, $r(15) = .63, p \leq .01$. In addition, the individual dimensions of OE (high performance, public accountability and service quality) were also significantly correlated with the construct and were greater than or equal to .52. Table 7 provides the aggregated correlations.

Hypothesis 1 (individual). The results of Hypothesis 1 also show significant results at the individual level of analysis ($N=225$). Individual level analysis found a significant relationship between empowerment and OE, $r(224) = .43, p \leq .01$.

Table 7

Correlations related to Hypothesis 1 at the Organizational Level of Analysis

	OE	PA	HP	SQ
Empower	.63**	.58*	.52*	.60*

* $p \leq .05$. ** $p \leq .01$.

Table 8 provides the individual correlations.

In general, the results suggest that higher levels of empowerment tend to be associated with increased organizational effectiveness.

Table 8

Correlations related to Hypothesis 1 at the Individual Level of Analysis

	OE	PA	HP	SQ
Empower	.43*	.41*	.41*	.34*

* $p \leq .01$.

Hypothesis 2 (organizational). Hypothesis 2 stated that the relationship between empowerment and OE would be moderated by the transformational and transactional leadership variables. Interactions were used to assess the moderating effects of leadership style on empowerment and OE. Leadership style (transformational, transactional) was centered then multiplied by empowerment and entered into a hierarchical regression. The Pearson product-moment correlation coefficients for the leadership styles and OE and each OE subscale are displayed in Table 9.

A hierarchical regression was performed using empowerment and transformational style as predictors and OE as the criterion variable. In Step 1, empowerment and transformational style were entered. In Step 2, the interaction term of empowerment and transformational style was entered. The regression equation for Step 1 (empowerment with transformational style) was significant, $R^2 = .40$, adjusted $R^2 = .31$, $F(2,13) = 4.32$, $p \leq .04$.

Table 9

Correlation Matrix for Hypothesis 2 (N = 16)

Variables	1	2	3	4	5
1 Transformational					
2 Transactional	91**				
3 High performance	45	55*			
4 Public account	29	39	74**		
5 Service quality	36	52*	68**	78**	
6 OE	39	53*	86**	93**	91**

* $p \leq .05$. ** $p \leq .01$.

Beta = .63, $p \leq .03$ for empowerment. The regression equation for Step 2 (the interaction term of empowerment and transformational style) was also significant, R^2 change = .183, $F(1,12) = 5.27$, $p \leq .04$. Transformational style was established as a significant moderator of the two constructs making the relationship between the two variables stronger.

Figure 4 graphically represents the relationship between the variables. Standardized regression weights were used to generate the four points.

The graph of the significant interaction indicates that

there is a positive relationship between empowerment and OE when transformational leadership is high (one standard deviation above the mean). However, there is a negative relationship between empowerment and OE when leadership is low (one standard deviation below the mean).

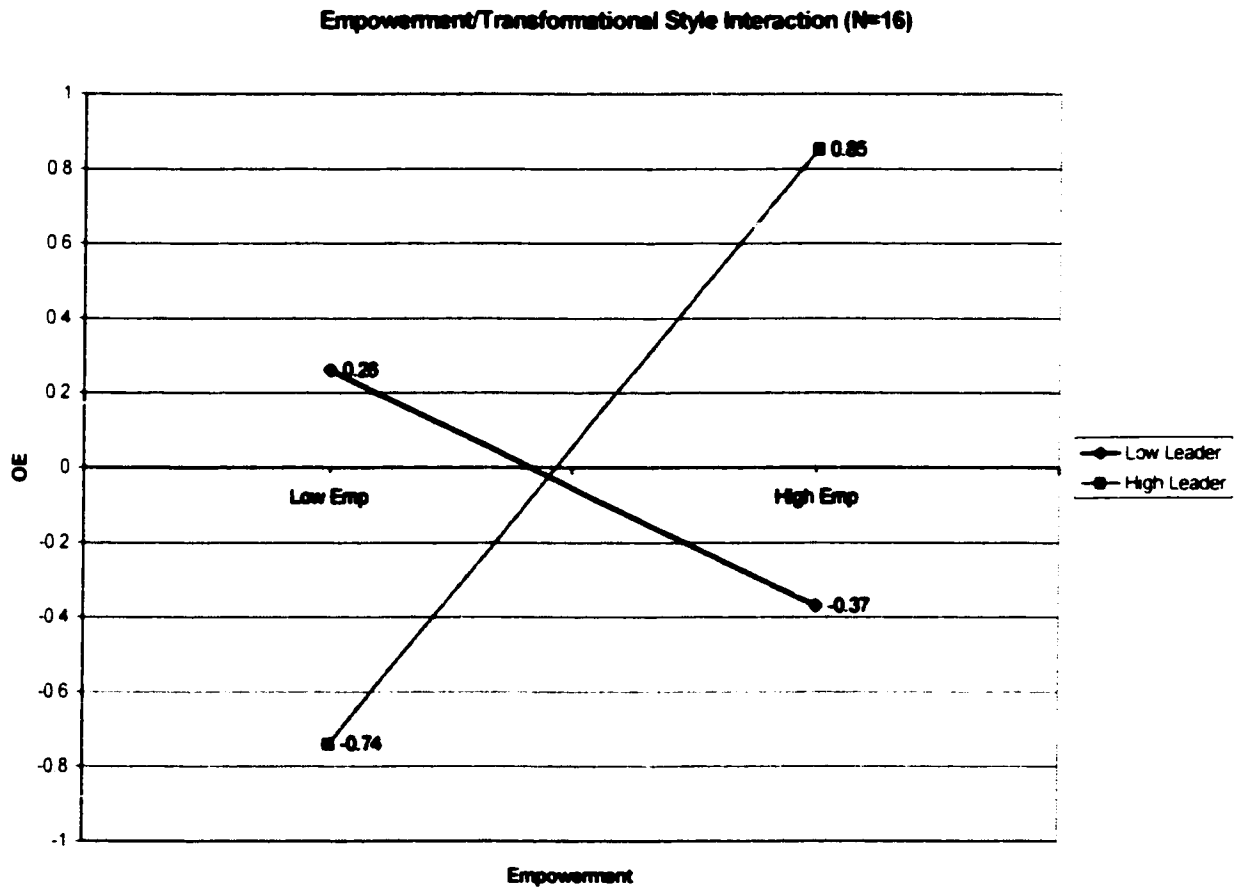


Figure 4. The relationship between Empowerment (low -vs- high) and OE moderated by Transformational leadership (low -vs- high).

A hierarchical regression was performed using empowerment and transactional style as predictors and OE as the criterion variable. In Step 1, empowerment and transactional style were entered. In Step 2, the interaction term of empowerment and transactional style was entered. The regression equation for Step 1 (empowerment with transactional style) was significant, $R^2 = .45$, adjusted $R^2 = .37$, $F(2,13) = 5.32$, $p \leq .03$. The regression equation for Step 2 (the interaction term of transactional style and empowerment) did not predict significantly over and above the empowerment and transactional style variables, R^2 change = .10, $F(1,12) = 2.67$, $p \geq .12$. Transactional style was not established as a moderator of the two constructs due to the non-significant findings in Step 2.

Hypothesis 2 (individual). A hierarchical regression at the individual level of analysis was performed using empowerment and transformational style as predictors and OE as the criterion variable. In Step 1, the division/region variance was partialled from OE by dummy coding this variable. In Step 2, empowerment and transformational style were entered. In Step 3, the interaction term of

empowerment and transformational style was entered. The regression equation for Step 1 (division/region) was significant, $R^2 = .14$, adjusted $R^2 = .08$, $F(15,207) = 2.32$, $p \leq .01$. The regression equation for Step 2 (empowerment with transformational style) was significant, $R^2 = .33$, adjusted $R^2 = .28$, $F(2,205) = 29.61$, $p \leq .01$. The regression equation for Step 3 (the interaction term of transformational style and empowerment) did not predict significantly over and above the empowerment and transformational style variables, $R^2 \text{ change} = .005$, $F(1,204) = 1.63$, $p \geq .20$. In individual analysis transformational style was not established as a moderator of the two constructs as evidenced by the lack of significance in Step 3.

A hierarchical regression at the individual level of analysis was performed using empowerment and transactional style as predictors and OE as the criterion variable. In Step 1, the division/region variance was partialled from OE, again by dummy coding this variable. In Step 2, empowerment and transactional style were entered. In Step 3, the interaction term of empowerment and transactional style was entered. The regression equation for Step 1 (division/region) was significant as before. The regression

equation for Step 2 (empowerment and transactional style) was significant, $R^2 = .34$, adjusted $R^2 = .29$, $F(2,203) = 29.34$, $p \leq .01$. The regression equation for Step 3 (the interaction term of transactional style and empowerment) did predict significantly over and above the empowerment and transactional style variables, R^2 change = $.013$, $F(1,202) = 4.26$, $p \leq .04$. In individual analysis transactional style was established as a moderator of the two constructs due to the significant findings in Step 3.

Figure 5 graphically represents the relationship between the variables. Standardized regression weights were used to generate the four points.

The graph of the significant interaction indicates that with high transactional style (one standard deviation above the mean) empowerment does not seem to make a difference with regard to OE. However, when transactional style is low (one standard deviation below the mean) empowerment has a positive effect on OE. In comparing both graphical representations (organizational and individual) it could be said that empowerment leads to OE except when there are low transformational leaders.

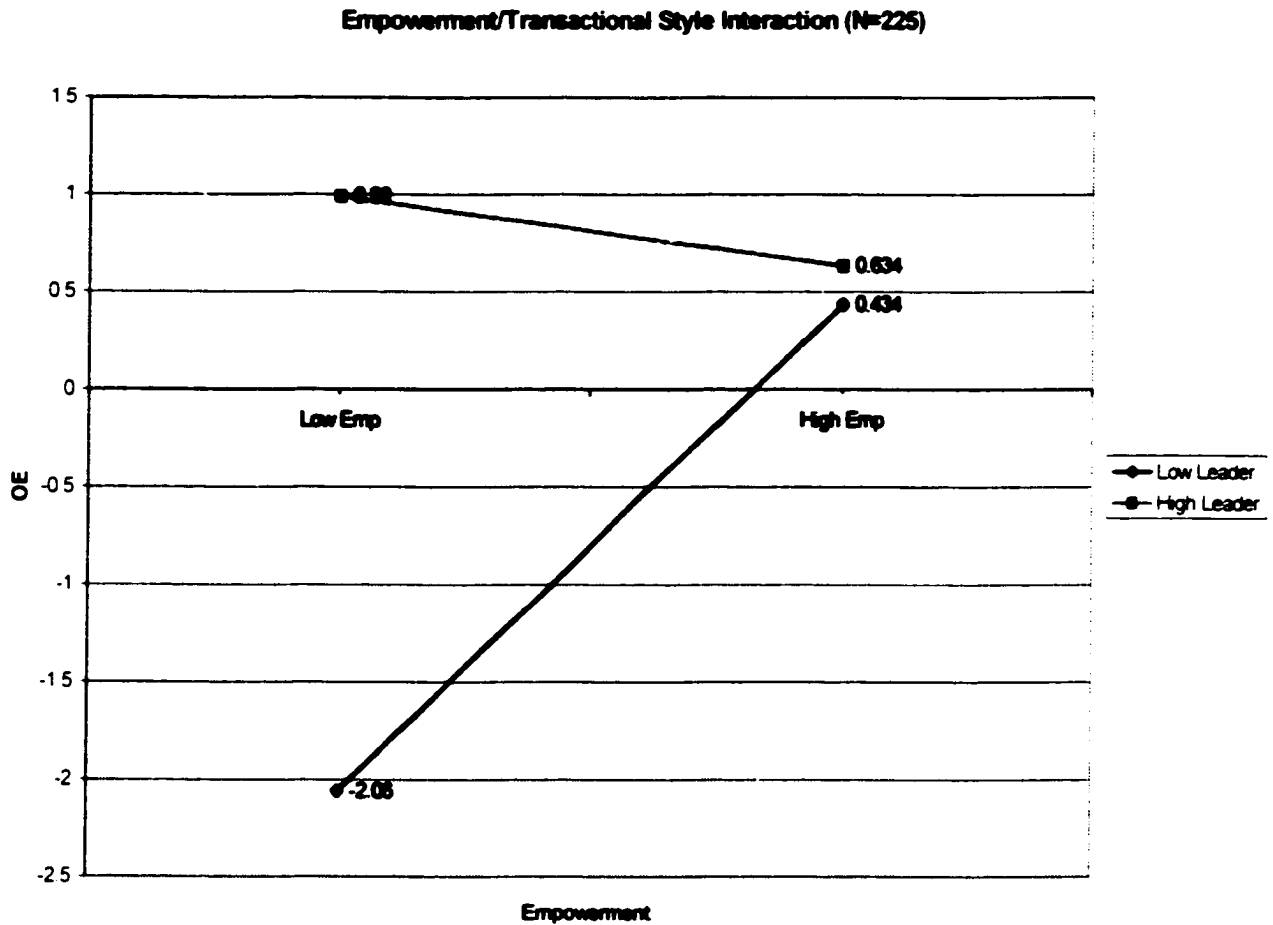


Figure 5. The relationship between Empowerment (low -vs- high) and OE moderated by Transactional leadership (low -vs- high).

Hypothesis 3a (organizational). Hypothesis 3a stated that empowerment would be related to OE notwithstanding the partialling out of affect. The relationship between empowerment and OE was not due to shared variance due to affect.

To test the mediating model, Baron and Kenny's (1986)

procedures were followed. First the relationship between the predictor (empowerment) and the mediator (affect) was examined by regressing the mediator on the predictor. The multiple correlation coefficient indicated a significant positive correlation $R = .63, p \leq .01$. The first requirement was met. Second, the relationship between the predictor (empowerment) and the criterion (OE) was examined by regressing the criterion on the predictor. The multiple correlation coefficient indicated a significant positive correlation $R = .63, p \leq .01$ ($B = .761$) meeting the second requirement. Third, the relationship between the mediator (affect) and the criterion (OE) was examined with no significant relationship between the two. Because affect failed to meet Condition 3 it was concluded that no mediation is evident on the relationship between empowerment and OE.

Further analysis of the model using positive affect (PA) and negative affect (NA) as mediators also did not show significant findings. Because PA failed to meet Condition 3, and NA failed to meet Conditions 1 and 3, it was concluded that no mediation is evident of the relationship between empowerment and OE. Further, with PA and NA in the equation the regression weight for empowerment with OE as the DV was $B = .64$ ($p \geq .05$) and $B = .78$ ($p \leq .01$). These results indicate that neither affect, nor PA nor NA is responsible for the relationship between

empowerment and OE.

Hypothesis 3b (organizational). Hypothesis 3b stated that affect would moderate the empowerment relationship with OE. A hierarchical regression was performed using empowerment and affect as predictors and OE as the criterion variable. In Step 1, empowerment and affect were entered. In Step 2, the interaction term of empowerment and affect was entered. The regression equation for Step 1 (empowerment with affect) was significant, $R^2 = .40$, adjusted $R^2 = .30$, $F(2,13) = 4.36$, $p \leq .03$. The regression equation for Step 2 (the interaction term of empowerment and affect) did not predict significantly over and above the empowerment and affect variables, R^2 change = .00, $F(1,12) = .00$, $p = .95$. Due to this lack of significance in Step 2, affect was not established as a moderator of the two constructs. The results indicate that the effect is not due to affect. Affect is not moderating the relationship between empowerment and OE.

A hierarchical regression was also performed using empowerment and PA as predictors and OE as the criterion variable. Results showed that the interaction term of empowerment and PA did not predict significantly over and above the empowerment and PA variables, R^2 change = .04, $F(1,12) = 1.05$, $p = .32$. Due to this lack of significance in Step 2, PA was not established as a moderator of the two constructs.

When negative affect was used in the equation as a predictor with empowerment and OE as the criterion similar results were found. Results showed that the interaction term of empowerment and NA did not predict significantly over and above the empowerment and NA variables, R^2 change = .05, $F(1,12) = 1.05$, $p = .28$. Due to this lack of significance in Step 2, NA was not established as a moderator of the two constructs.

Hypothesis 4 (empowerment). The contribution of leadership style as a driving force of perceived empowerment and affect leading to OE was explored on an organizational level of analysis. The relationship between the predictors (transformational and transactional leadership style) and the criteria (OE and the subscales of HP, PA and SQ) were examined. No significant correlations were found between the OE subscales and transformational style. However, significant correlations were found between transactional style and high performance ($r = .55$, $p \leq .05$) and transactional style and service quality ($r = .52$, $p \leq .05$).

The mediation model of empowerment on the relationship between transactional style and OE was tested using using Baron and Kenny's procedures (1986). The multiple correlation coefficient indicated a significant positive correlation between transactional style and OE, $R = .53$, $p \leq .05$ ($B = .392$). If empowerment is a mediator the

regression weight for leadership should be smaller when empowerment is partialled out suggesting an indirect effect. The multiple correlation coefficient indicated a significant positive correlation between the predictor (transactional style) and the mediator (empowerment), $R = .54, p \leq .05$. The relationship between the mediator and the criterion (OE) was also examined with significant results, $R = .63, p \leq .01$. The meeting of all three requirements allowed for further examination of empowerment as a mediator of the relationship between transactional style and OE.

A hierarchical multiple regression was conducted to further test the mediating model. Empowerment was entered into the equation followed by transactional style. Table 10 provides the results showing that empowerment is a mediator of transactional style and OE. Hypothesis 4 was supported because after empowerment was partialled out of the equation there was not a significant relationship between transactional style and OE.

Mediation of empowerment with OE subscales. Further analysis of the model replacing OE with the individual OE subscales as the criterion was performed. Results showed that empowerment acted as a mediator of only high performance and service quality in addition to overall OE.

Table 10

Summary of Hierarchical Regression Analysis for Empowerment as a Mediator of Transactional Style and OE

Block	Variable	Block Statistics					Variable Statistics					
		R	R ²	ADJ R ²	R ² CHG	Df	F	B	SE B	β	t	p
1	Empowerment	.632	.399	.357	.399	1,14	9.314	.585	.295	.486	3.05	.009
2	Empowerment							.585	.295	.486	1.98	.069
	Transactional Style	.671	.450	.365	.051	1,13	5.320	.197	.181	.268	1.09	.295

Mediation was not evident on the relationship between transactional style and public accountability. No effect was found between the IV (transactional style) and the DV (public accountability) failing to meet Condition 2 of Baron and Kenny's (1986) procedure. Therefore, no further analysis was performed with the OE subscale of public accountability.

Baron and Kenny's (1986) procedure was followed to test the mediating models on an organizational level of analysis. First the relationship between the predictor (transactional style) and the mediator (empowerment) was examined by regressing the mediator on the predictor. The multiple correlation coefficient indicated a significant positive correlation $R = .54, p < .05$. The first

requirement was met. Second, the relationship between the predictor (transactional style) and the criterion (HP) was examined. The multiple correlation coefficient indicated a significant positive correlation $R = .55, p \leq .05$ ($B = .346$) meeting the second requirement. Third, the relationship between the mediator (empowerment) and the criterion (HP) was examined. The multiple correlation coefficient indicated a significant positive correlation $R = .52, p \leq .05$ meeting the third requirement.

A hierarchical multiple regression was conducted to further test the mediating model. Empowerment was entered into the equation followed by leadership style. Table 11 illustrates the results showing that empowerment did mediate the relationship between transactional style and high performance. Hypothesis 4 was supported because after empowerment was partialled out of the equation the relationship between transactional style and HP was no longer significant.

Baron and Kenny's (1986) procedure was followed to test the mediating model with service quality. First the relationship between the predictor (transactional style) and the mediator (empowerment) was examined. The multiple correlation coefficient indicated a significant positive correlation $R = .54, p \leq .05$. The first requirement was met. Second, the relationship between the predictor (transactional style) and the criterion (SQ) was examined.

Table 11

Summary of Hierarchical Regression Analysis for Empowerment as a Mediator of Transactional Style and High Performance

Block	Variable	Block Statistics					Variable Statistics					
		R	R ²	ADJ R ²	R ² CHG	Df	F	B	SE B	β	t	p
1	Empowerment	.526	.276	.225	.276	1,14	5.349	.533	.230	.526	2.31	.036
2	Empowerment							.320	.260	.316	1.21	.246
	Transactional Style	.617	.381	.286	.104	1,13	2.193	.239	.161	.385	1.48	.163

The multiple correlation coefficient indicated a significant positive correlation $R = .52$, $p < .05$ ($B = .346$) meeting the second requirement. Third, the relationship between the mediator (empowerment) and the criterion (SQ) was examined. The multiple correlation coefficient indicated a significant positive correlation $R = .60$, $p < .05$ meeting the third requirement.

A hierarchical multiple regression was conducted to further test the mediating model. Empowerment was entered into the equation followed by leadership style. Table 12 illustrates the results showing that empowerment is a mediator of transactional style and SQ. Hypothesis 4 was supported because after empowerment was partialled out of the equation the relationship between transactional style and SQ was no longer significant.

Hypothesis 4 (affect). The contribution of leadership style as a driving force of affect leading to OE was also studied on an organizational level of analysis. Mediation was not established due to the fact that all of Baron and Kenny's (1986) conditions for testing were not met. Because affect failed to meet Conditions 1 and 3 it was concluded

Table 12

Summary of Hierarchical Regression Analysis for Empowerment as a Mediator of Transactional Style and Service Quality

Block	Variable	Block Statistics					Variable Statistics					
		R	R ²	ADJ R ²	R ² CHG	Df	F	B	SE B	β	t	p
1	Empowerment	.602	.362	.317	.362	1,14	7.952	.881	.312	.602	2.82	.041
2	Empowerment							.659	.369	.450	1.78	.098
	Transactional Style	.646	.417	.327	.055	1,13	4.647	.250	.226	.279	1.10	.290

that no mediation was evident on the relationship between leadership style and OE. H4 is only partially supported because affect was not found to mediate the relationship between transactional style and OE.

The mediator model was also tested replacing affect with positive affect and negative affect following the same procedure. Results also showed that all of Baron and Kenny's (1986) conditions for testing were not met to

establish mediation. Positive affect failed to meet Condition 3 when using HP and SQ as criterion. Therefore it was concluded that no mediation is evident on the relationship between transactional leadership and high performance and service quality. There is a direct link between transactional style and HP and SQ.

No mediation was evident between transactional style and public accountability because positive affect failed to meet Conditions 2 and 3 when using public accountability as the criterion.

Negative affect failed to meet Conditions 1 and 3 with all of the OE subscales (HP, PA, and SQ). Therefore it was concluded that no mediation is evident on the relationship between transactional leadership and any of the OE subscales.

Results show that neither positive affect nor negative affect was found to mediate transactional style and OE. Furthermore, neither positive affect nor negative affect was found to mediate the relationship between transactional style and any of the OE subscales.

Supplemental Analysis

Examination of the individual components of OE:

Hypothesis 2 (organizational). The current study tested the relationship of empowerment and OE with two leadership styles. To further test this model, interactions were used

to further assess the moderating effects of leadership style on empowerment and the individual OE subscales (high performance, public accountability and service quality) at the organizational (aggregate) level of analysis.

Transformational Leadership Style. Hierarchical regressions were performed using empowerment and the leadership styles as predictors and each OE subscale (HP, PA, SQ) as the criterion variable. Results showed that transformational style is only significantly related to the subscale of service quality organizationally.

The hierarchical regression using empowerment and transformational style as predictors and SQ as the criterion variable showed that Step 1 (empowerment with transformational style) was significant, $R^2 = .36$, adjusted $R^2 = .26$, $F(2,13) = 3.69$, $p = .054$. The regression equation for Step 2 (the interaction term of empowerment and transformational style) was also significant, R^2 change = .193, $F(1,12) = 5.21$, $p \geq .04$. Transformational style was established as a moderator of the constructs of empowerment and service quality in addition to the overall OE scale as evidenced by the significant findings in Step 2.

Transactional Leadership Style. The hierarchical regressions performed using empowerment and transactional style as predictors and each individual subscale of OE as the criterion variable indicate that transactional style is not a moderator of the individual OE subscales. The pattern used for transformational style with each subscale was repeated replacing transformational style with transactional style.

Examination of the individual components of OE:

Hypothesis 2 (individual). Interactions were used to further assess the moderating effects of leadership style on empowerment and the individual OE subscales at the individual level of analysis. The Pearson product-moment correlation coefficient relationships for the leadership styles and the individual OE subscales are illustrated in Table 13. Significant correlations were found between the individual OE subscales and both leadership styles.

Transformational Leadership Style. A hierarchical regression at the individual level of analysis was performed using empowerment and transformational style as predictors and high performance as the criterion variable. In Step 1, the division/region variance was partialled from HP by dummy coding the variable. In Step 2, empowerment

Table 13

Correlation Matrix of Hypothesis 2 (N = 225)

Variables Entered	1	2	3	4	5
1. Transformational					
2. Transactional	.82**				
3. High Performance	.33**	.31**			
4. Public Accountability	.32**	.35**	.71**		
5. Service Quality	.33**	.34**	.67**	.71**	
6. OE	.37**	.38**	.88**	.90**	.89**

**p ≤ .01.

and transformational style were entered. In Step 3, the interaction term of empowerment and transformational style was entered. This pattern was repeated for all OE subscales (HP, PA, SQ).

Individual analysis results indicate that the interaction term of empowerment and transformational style was not significantly related to any of the individual OE subscales. Transformational style does not appear to be a moderator of the subscales of high performance, public accountability or service quality.

Transactional Leadership Style. A hierarchical regression at the individual level of analysis was performed using empowerment and transactional style as predictors and each OE subscale as the criterion variable. The pattern used for transformational style with each subscale was repeated replacing transformational style with transactional style. Individual results indicate that transactional style is a moderator of the OE subscale of public accountability in addition to the overall OE scale.

The hierarchical regression at the individual level of analysis using empowerment and transactional style as predictors and public accountability as the criterion variable shows that Step 1 (division/region) was significant, $R^2 = .18$, adjusted $R^2 = .12$, $F(15,205) = 3.17$, $p \leq .01$. The regression equation for Step 2 (empowerment and transactional style) was significant, $R^2 = .35$, adjusted $R^2 = .30$, $F(2,203) = 26.87$, $p \leq .01$. The regression equation for Step 3 (the interaction term of transactional style and empowerment) did predict significantly over and above the empowerment and transactional style variables, $R^2 \text{ change} = .014$, $F(1,202) = 4.52$, $p \leq .04$. In individual analysis transactional style was established as a moderator of the two constructs

because of the significant finding in Step 3.

OE Contributors (organizational). A stepwise regression was performed to further test the variables contributing to OE using empowerment, transformational style, transactional style and positive affect as predictor variables and OE as the criterion variable. Results indicate that the two leadership styles are highly correlated (transactional and transformational), $r(15) = .91$, $p \leq .01$. If a leader is perceived as transformational he/she is also perceived as a contingent reward leader because the two styles are highly correlated. The relationship between the predictor variables and the criterion was significant, $R^2 = .62$, adjusted $R^2 = .48$, $F(4,11) = 4.52$, $p \geq .02$. The standardized regression weights for empowerment, transformational style, and transactional style were significant, $Beta = .74$, $p \leq .01$, $Beta = -1.14$, $p \leq .04$, $Beta = 1.26$, $p \leq .03$. Positive affect is the only predictor variable that did not have a significant weight in the equation.

To further study the contributing variables to OE, a stepwise regression was performed without positive affect. The relationship between the remaining predictor variables and the criterion was highly significant, $R^2 = .61$,

adjusted $R^2 = .51$, $F(3,12) = 6.29$, $p \leq .01$. These predictors are also significantly related to the individual OE subscales: high performance, $R^2 = .44$, adjusted $R^2 = .30$, $F(3,12) = 3.29$, $p = .06$; public accountability, $R^2 = .48$, adjusted $R^2 = .35$, $F(3,12) = 3.69$, $p = .04$; service quality, $R^2 = .61$, adjusted $R^2 = .51$, $F(3,12) = 6.38$, $p \leq .01$.

A hierarchical regression was performed using empowerment, transformational style, transactional style and positive affect as predictors and each individual OE subscale as the criterion. Results indicate that empowerment is the only variable that is significantly related to each subscale and the main contributor of the variance. In Step 1, empowerment was entered. In Step 2, positive affect was entered. In Step 3, transformational style was entered. In Step 4, transactional style was entered. In the overall model, empowerment was the only variable that accounted for a significant amount of variance. The results for high performance were, $R^2 = .27$, adjusted $R^2 = .22$, $F(1,14) = 5.34$, $p = .03$; public accountability, $R^2 = .34$, adjusted $R^2 = .29$, $F(1,14) = 7.23$, $p = .01$; service quality, $R^2 = .36$, adjusted $R^2 = .31$, $F(1,14) = 7.95$, $p = .01$. Empowerment seems to be a

key contributor to OE and its subscales over and above leadership style.

Anova and post hoc tests of study variables. A one-way analysis of variance was conducted to evaluate the relationship between leaders (both division and region) and each study variable (empowerment, OE, transformational leadership style, transactional leadership style, PA, NA, affect). The independent variable of leader included 16 levels representing the leader of each division and region. The dependent variables were the study variables identified. The analysis of variance was only significant for the study variables of OE, $F(15, 207) = 2.32, p \leq .01$; transformational style, $F(15, 208) = 2.05, p \geq .01$; and transactional style, $F(15, 206) = 2.44, p \leq .01$. The leader factor accounted for approximately 13% of the variance for the variables of OE ($\eta^2 = .14$), transformational style ($\eta^2 = .12$) and transactional style ($\eta^2 = .15$). ANOVA descriptive statistics for all study variables are shown in Appendix J.

Follow-up tests were conducted to evaluate pairwise differences among the means of each of the significant study variables (OE, transformational style, and transactional style). Comparisons among means were made using the Tukey procedure, which assumes homogeneity of variances for the groups compared. For all comparisons

made the Levene test for homogeneity of variances revealed that the assumption was satisfied.

For OE, there were significant differences in the means of the Leader 4 group and the Leader 14 group. The mean difference between Leader 4 and Leader 14 was -1.07 , $p = .02$. The Leader 4 group showed less OE in comparison to the Leader 14 group.

For comparisons of transactional style, there were significant differences in the means of the Leader 10 group and the Leader 16 group. The mean difference between Leader 10 and Leader 16 was 1.55 , $p = .03$. The Leader 16 group showed less OE in comparison to the Leader 10 group. The Tukey test failed to reveal differences between individual leaders for the transformational style comparisons.

Sobel test in mediation analysis: Testing H4 results.
The results of H4 showed that empowerment was a mediator of transactional style and OE, high performance (HP) and service quality (SQ). To conclusively establish mediation a significance test for the direct effect of the IV on the DV via the mediator was conducted using Baron and Kenny's (1986) modified version of the test originally proposed by Sobel (1982). The test "requires the standard error of a or S_a (which equals a/t_a where t_a is the t test of coefficient

a) and the standard error of b or S_b . The standard error of ab can be shown to equal approximately the square root of $(S_a^2 S_b^2 + b^2 S_a^2 + a^2 S_b^2)$ and so under the null hypothesis that ab equals zero, the following

$$\frac{ab}{\sqrt{S_a^2 S_b^2 + b^2 S_a^2 + a^2 S_b^2}}$$

is approximately distributed as Z " (Kenny, Kashy & Bolger, 1998, p. 260). The path from the independent variable to the mediator is denoted as a and the path from the mediator to the dependent variable is denoted as b . Using Baron and Kenny's modification of the Sobel test for the DV of OE, the reduction due to empowerment is statistically significant ($Z = 1.92, p = .03$). The test for the DV of HP also showed that the reduction due to empowerment is statistically significant ($Z = 1.70, p = .04$). The reduction due to empowerment, using SQ as the DV, was also statistically significant ($Z = 1.84, p = .04$).

Shared method/source variance: Testing H1 results. To validate the results found for hypothesis 1 that there is a significant correlation between empowerment and OE, $r(15) = .63, p \leq .01$, a split file analysis of the data was conducted. The individual data set ($N=225$) was divided

into two files. The first file was created by randomly selecting 112 cases out of 225 through SPSS. The second file consisted of the remaining unselected cases. Each data file was aggregated at the organizational level (division, region) by averaging the individual scores of empowerment and OE within each division/region. Each variable was centered by subtracting the mean before multiplying. The correlation coefficient was calculated for empowerment and OE at each division/region as the unit of analysis (N=16). The OE cases of the second file were deleted and replaced with the OE cases from the first file so that the empowerment data corresponded to one set of participants and the OE data corresponded to a different set of participants. Results showed that there was a significant positive correlation on an aggregate level of analysis between empowerment and OE using split file analysis, $r(15) = .52, p \leq .05$. The significant correlation, while lower, shows a good degree of confirmation that the results of the study are not due to shared method/source variance.

CHAPTER V

DISCUSSION

This study addressed five major issues: (a) the effect of empowerment on organizational effectiveness, (b) the moderating effects of leadership style on the empowerment-OE relationship, (c) the impact of affect on performance-relevant organizational behavior, (d) the differences in results between aggregate and individual level analysis, and (e) the driving force of leadership style. The following sections provide a summary of the findings of this study.

The Effect of Empowerment on Organizational Effectiveness

As stated in Chapter I, the primary goal of the study was to provide additional understanding of what the practice of empowerment brings to a governmental organization in terms of effectiveness. Past researchers have found a positive relationship between empowerment and OE in a variety of settings from insurance companies to non-profit organizations (Kanter, 1983, 1984; Kouzes & Posner, 1987; McClland, 1975; Vandenberg, 1996). This study tested the relationship in a federal government setting with equivalent results. There was a significant

positive correlation between empowerment perceived by employees and perceived organizational effectiveness as reported by the government agency under study. Hypothesis I was confirmed. The perception of empowerment was found to be significantly related to OE. The more empowered employees perceived themselves to be the greater the level of effectiveness reported by the organization. The result was shown at both aggregate (organizational) and individual (employee) level analysis.

Empowerment had a significant positive relationship with each key result area of OE (high performance, public accountability, and service quality), as defined by the government organization. This result supports Kanter's (1984) premise that participation is deeply connected to all aspects of an organization's capacities for effective performance. The greater the empowerment the higher the level of performance, public accountability and service quality.

Leadership Style as a Moderator

It was hypothesized that the relationship between empowerment and OE would vary as a function of leadership style. It was proposed that both leadership styles would show as moderators and specifically that a stronger relationship between empowerment and OE would result from transformational leadership rather than transactional

leadership. Past research has indicated that organizations led by transformational leaders have been significantly more effective than those led by transactional leaders (Bass & Avolio, 1994). While this finding suggests that transformational leadership would itself be related to effectiveness; the current study found that leadership style is a moderator of the relationship between empowerment and OE at different levels of analysis.

Organizational level results indicate that transformational style does moderate the empowerment-OE relationship and that transactional style does not. The transformational interaction term accounted for over 50% of the variance in OE suggesting that the combination of the transformational leader and empowerment are important factors in organizational effectiveness. This finding is consistent with past research. However, individual analysis of Hypothesis 2 found transactional style to be the moderator of the empowerment-OE relationship. Hypothesis 2 was not fully supported because both leadership styles were not consistent significant moderators, at each level of analysis, as proposed in this study.

It appears that some variables have effects at the organizational level and some have effects at the individual level. The findings lend support to Klein et al.'s (1994), account that:

When data do not conform to the level of the theory,

analysis and interpretation of the data in accordance with the level of theory invites erroneous conclusions (Robinson, 1950). If the results are significant, a researcher may conclude that his or her theory is supported, when in fact the data, in their entirety, do not support the predicted level of theory. (p. 12)

The results of this study indicate that transformational leadership affects organizations and transactional leadership affects individuals. The results of this study show that both leadership styles interacted with empowerment to affect OE but that the interaction was dependent on the level of analysis used. Each style seems to have an impact at one level of analysis and not another. This finding suggests that on an individual level the transactional contingent reward interplay between leader and employee may be more significant in obtaining results. But the cumulative striving of such results is seen as a collective response to leaders inspiring a shared vision and direction. In other words, transaction is transformed organizationally.

In assessing if there was a stronger relationship between empowerment and OE as a result of transformational rather than transactional leadership it was found that transformational style was a moderator at the organizational level. But that transactional style made the relationship stronger on an individual level. Also,

results did not show a significant correlation between transformational style and OE organizationally. This finding suggests that at an organizational level of analysis, the reason transformational style does not correlate with OE is that it is interacting with empowerment. It does not mean that the correlation between transformational style and OE does not exist it just does not show up because it is masked by the interaction with empowerment. Therefore, organizationally even though there is a significant correlation between transactional style and OE it does not mean that transactional style is more important than transformational style. Transformational style is important because it interacts with empowerment to increase OE.

However, when analyzed on an individual level both leadership styles had an equally positive significant correlation with OE but only transactional style was shown to be a moderator of the empowerment-OE relationship. One style, over another, does not result in higher levels of effectiveness. Individually, higher levels of OE can be attributed to both high levels of transformational and transactional style. Moreover, transactional style is important individually because it is the style that interacts with empowerment to increase OE. The second part of Hypothesis 2 that a stronger relationship between empowerment and OE would result from transformational style

was not supported. Results indicate that higher levels of OE are not just the result of higher levels of transformational style as proposed. This finding further illustrates the organizational finding discussed above that one style alone does not ensure results.

The finding also follows in that both styles were highly correlated in the current study at both an individual and organizational level of analyses. The results add support to Bass' statement that transformational leaders can be both directive and participative depending on the requirements of followers and context (Bass, 1990). It also adds support to studies that suggest that managers that integrate both a transformational and transactional style have more effective staff (Alimo-Metcalfe, 1996). Reality is that leaders must interact with employees on a one-on-one level in order to communicate work assignments and achieve the products that must be produced on a day to day basis in order to meet organizational goals. The findings suggest that the impact on how people are influenced is an important consideration (Hersey, 1992) when promoting or integrating styles of leadership within an organization.

Conceptually, there seemed to be a foundation of both leadership styles within the organization under study. But the individual building blocks (per se) of OE lay in transactional leadership; meaning employees engaged in

everyday task accomplishment to meet goals. However, at an organizational level these individual efforts, or building blocks, present themselves more as transformational rather than transactional (see Figure 6).

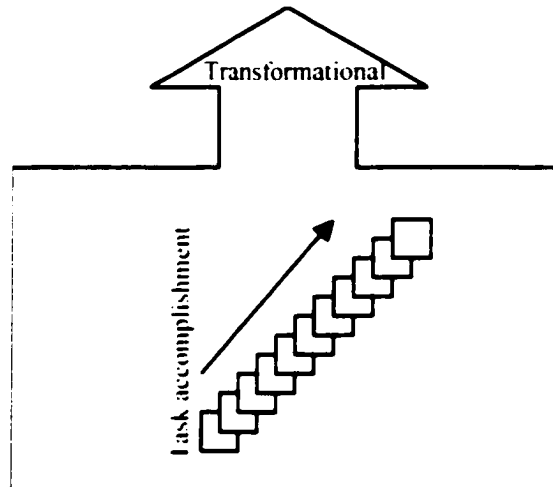


Figure 6: Graphic Representation of H2 Results.

The explanation for this could lie in previous research (Dockstader, 1997; Miller, 1991; Miller & Droge, 1986) that suggests that the key role of leadership is in making decisions that create an alignment across an organization. The results add support to Ostroff's (1993) premise that the individual differences found at individual levels of analysis are brought into such close relationship in aggregate as to obscure individual differences. Average scores may more reliably represent an organization's

characteristics across individuals rather than through single individual scores. The performance of employees at lower levels of an organization come together to ensure behavior and effectiveness at higher levels of the organization. The results of this study add support for the method of study proposed by Schneider (1996) in which the study of the behavior of the organization is a correlate of the people in the organization. The indication here is that organizations should be cognizant of the value of different leadership styles and not promote or stifle one over the other in pursuing organizational effectiveness.

In both levels of analysis, results showed empowerment to be the most consistent predictor of OE. These results reaffirm the importance of empowerment in organizational effectiveness found in H1. The results support past findings that assert empowerment as a principal component of OE (Kanter, 1983; McClelland, 1975). The findings also suggest that there is a rationale for government agencies to advocate the use of empowerment as a method to help accomplish results.

Supplemental organizational analysis of the primary model using the individual subscales of OE as the criterion showed that transformational style was the moderator of the relationship between empowerment and service quality. The results indicate that transformational style effects

service quality. Transformational style seems to contribute to OE by making employees more service oriented due to the possible influence of the leader's Four "I" qualities. Organizationally, the Four "I's" perceived by employees work to inspire a commitment to goals and a shared vision. The organizational results follow in that as any government entity the organization exists to serve the public. Transactional style did not moderate the relationship using the individual OE subscales reiterating the results found with the primary empowerment-OE model.

Individual level analysis with the division/region variance partialled out also mirrored the primary model results. Transformational style was not found to moderate the relationship with any of the OE subscales but transactional style did. The moderating influence of transactional style is primarily due to the contribution of the public accountability subscale. The results suggest that certain components of OE are more relevant compared to others when interacting with empowerment and leadership style. Individually, transactional style seems to impact the organization in terms of reinforcing each employee's role or contribution within the organization as accountable. This finding also demonstrates the importance of identifying all the components of organizational effectiveness within an organization. Identifying all components may facilitate organizations in making better

decisions in manipulating factors within the workforce. For instance, if the organization under study chose to try and increase their level of performance, leadership style would not be a means to achieve this goal since the individual results indicate that leadership style does not moderate the empowerment-HP relationship.

The Impact of Affect on Performance-relevant Organizational Behavior

Results showed that positive affect and negative affect were inversely related. However, they were also tested as a single dimension to assess any differences that may have contributed to the research in this area.

It was hypothesized that a relationship between empowerment and OE would exist even after affect was partialled out. If affect had been found to be a mediator then empowerment could have been said to be more of a feeling associated with empowerment and not other aspects of empowerment like meaning, choice, impact and competence. Stated another way, empowerment would change feeling and feelings would change effectiveness. However, affect was not found to be a mediator of empowerment and OE. Therefore, empowerment does not just hinge on the feeling behind it; empowerment has to do with aspects other than affect. Furthermore, results showed that the empowerment-OE relationship was not a product of shared variance.

Because even after the variance of affect is partialled out a significant relationship between empowerment and OE still exists. The results suggest that there is more to empowerment and OE than just how people feel.

In this study affect was used to control for the response bias that people with a positive outlook give positive results and negative people respond negatively. This study adds to the research on how affective disposition impacts performance-relevant organizational behavior. Prior research has found that affective states can influence a variety of performance-related outcomes such as judgements, attitudinal responses and risk taking (Brief & Weiss, 2002). However, this study establishes that affective states do not influence organizational effectiveness outcomes. Affective disposition (affect, PA, NA) does not mediate the relationship between empowerment and OE. This could mean that all the years and money spent on keeping employees happy really may have had no bearing on the bottom line of effectiveness.

Additionally, Hypothesis 3b was not confirmed because affect was not found to moderate the relationship between empowerment and OE. The interaction of empowerment and affect was not significant for OE. Affective states may impact performance-relevant organizational behavior but not as a moderator of the empowerment-OE relationship. This finding adds to the premise that empowerment is more about

what leaders do and not just how they make people feel.

Differences in Results Between Aggregate and Individual Level Analysis

Past research (Bowen & Lawler, 1992) has found it difficult to assess the results of effectiveness because of the analytical differences in thinking between managers and researchers. Managers have tended to focus on organizational behavior while researchers have focused on individual-level criteria (Schneider, 1996). To better understand and predict organizational effectiveness, the results were analyzed both in aggregate (organizationally) and individually.

The results show some similarities and differences between analyses:

1. The results of H1 demonstrate that the significant relationship between empowerment and OE is applicable in both aggregate and individual level analysis.

2. The results of H2 show contrasting results between the two analyses. Aggregate analysis showed transformational style as a moderator while individual analysis showed transactional style as the moderator of the OE-empowerment relationship.

3. Also, significant correlation coefficients were found between OE and each style. Higher levels of OE resulted from higher levels of a particular style dependent

on the level of analysis used.

4. Supplemental analysis of H2 using the individual OE subscales mirrored the results found in paragraph 3 above. Organizationally, the interaction term of empowerment and transformational style was significant with service quality. While individually, transactional style was found to moderate public accountability.

The disparity of results between analyses found in this study is supportive of the argument proposed by Schneider (1996) that the lack of clarity in the link between individual differences and OE may be a consequence of the disparity between the individual and the organizational focus. The results also provide support for Schneider's (1996) statement that organizations adopting practices, such as empowerment, find it difficult to assess results concerning effectiveness due to the differences in thinking by managers and researchers with respect to analysis.

The difference in results does not mean that one set of results is wrong and the other right. What the difference in results suggests is that it is important to collect and analyze data at the same level as the theory or the outcome of interest as proposed by Klein, Dansereau, and Hall (1994) since, as illustrated in the findings differences do exist between levels of analysis. According to Ostroff (1993) "Studies using aggregated data to represent organizational characteristics have often shown

stronger correlations at the organizational level compared with the individual level" (p. 1). Hypothesis 1 seems to generate results consistent with homology since the relationship between the two variables is the same at both levels of analysis indicating similar processes operating in the relationship (Ostroff, 1993).

The Driving Force of Leadership Style

Hypothesis 4 stated that the relationship between leadership style and OE would be mediated by empowerment and affect. While a direct link between leadership style and OE was found with affect indirect effects were found in the case of empowerment. To study the role of leadership style as a driving force within an organization, statistical tests were performed using leadership style as the predictor and OE and as the criterion. The variables of empowerment, affect, positive affect and negative affect were tested to assess their roles as mediators of the leadership style-OE relationship.

Results indicate that empowerment was found to mediate the relationship between leadership style and OE. Results also showed that empowerment was also a mediator of transactional leadership and the OE subscales of high performance and service quality. The results indicate that the presence of empowerment is necessary for a relationship to exist between transactional style and OE, and

transactional style and the subscales of high performance and service quality. This finding provides support for previous research asserting that empowerment is only a part of the puzzle in relation to OE (Zimmerman, in press).

These results were analyzed on an organizational level only and show that transactional style is a driving force in OE when paired with empowerment. Results reinforce the significance of the contingent reward interplay between employees, at least organizationally, in achieving results. The finding contradicts the widespread movement of primarily using transformational leadership to achieve results. There is still something to be said for plain old task accomplishment and contingent rewards within today's organizations.

Further analysis of each of the contributors of OE (empowerment, leadership style, and positive affect) used in this study showed that all but positive affect were significantly related to OE and its subscales. Both leadership styles were highly correlated indicating an overlap in the outcome perception of both styles. However, overall, empowerment was found to be the most consistent factor in OE and its subscales suggesting that empowerment may be a stronger driving force than leadership style in OE.

Summary

The current study does establish the relationship between empowerment and OE within a government setting. The moderating role of leadership style seems to vary depending on the level of analysis performed thus emphasizing a need to go beyond an individual unit of analysis when predicting OE. The current study also provided no support for the impact of affect as a mediator within the empowerment-OE and leadership style-OE relationships. Organizational effectiveness seems to be attributed to more than the way people feel. The benefit of empowerment was demonstrated in relation to transactional style and OE. Empowerment bridges the gap between transactional leadership and OE. Empowerment was also shown to be a more consistent driving force to OE than leadership style.

Limitations of the Study

This study was designed to assess the performance of the government organization under study but as with any applied research, there are limitations that merit mention. First of all, because only one organization was studied generalizability is limited. It is difficult to state whether the results hold true across other organizational settings and time without additional research using a variety of sites and a longer period of time. In addition,

the study assessed employee's perceptions and objective organizational performance factors were not measured.

Another limitation is the lack of a consistent objective measure of organizational effectiveness. Although conceptually OE is the degree to which organizations achieve their goals there is a lack of agreement amongst researchers as to what constitutes a valid measure of OE (Ostroff, 1992). Because of this the measure of OE used in this study is another product of an arbitrary organizational model judging effectiveness in its own way.

Social desirability may have also been a limitation. Even though confidentiality was assured, there is a possibility of response bias based on the expectations of effectiveness rather than actual levels since in some instances managers, managers rather than the author, collected the data at locations outside of the District of Columbia.

Suggestions for Future Research

Following from the limitations of this study, future research should improve on the study by having multiple test administrations, using consistent objective effectiveness measures and taking into account the social desirability factor in test administration. It would also be beneficial to further examine the components of each

leadership style with OE.

Future research should also include personality variables. Some employees may be more receptive to certain leadership styles thus contributing to OE. Personality variables may serve as moderators in the empowerment-OE relationship. As noted previously, for the purposes of generalizability the findings should be replicated across various governmental settings and across different populations.

Conclusions and Implications for Practice

The results found in this study have important implications for all types of organizations, including governmental settings. Since significant relationships were found between empowerment and effectiveness many businesses have tried to promote empowerment in their workforce, including government agencies, in the hopes of reaping the rewards of increased productivity and effectiveness. This study establishes the practice of empowerment to be a valid technique to promote perceived organizational effectiveness within a government setting. This finding suggests that even bureaucratic organizations may benefit from the process.

The study contributes to the understanding of leadership style as an important part of empowerment and effectiveness. The findings provide additional

understanding of the link between empowerment and leadership styles. The study indicates that both styles of leadership, depending on the method of analysis, co-exist at one point in time with empowerment resulting in organizational effectiveness.

The study's implication is that organizations and researchers alike need to be cognizant of the level of analyses used to support their objectives. Aggregate and individual level analyses were found to result in disparate findings. Therefore, if organizations were interested in looking at the overall functioning of an organization, aggregate level analysis would probably be the best approach to capture organizational results. Individual level differences exist among employees but overall organizational results tend to be more important in helping organizations make widespread decisions affecting the entire workforce.

It appears that both leadership styles studied can co-exist with and possibly facilitate the empowerment-OE relationship. However, there is no direct evidence that either style directly results in empowerment, despite the general contention that transformational leaders tend to empower their subordinates as a part of their leadership style.

According to Bass (1990) transformational leaders can be both directive and participate depending on the

requirements of the followers and context. This may explain the high correlation between the two styles found in this study. The findings also add support to the conclusions drawn by Hersey (1992) that "In evaluating leadership attempts, consideration needs to be given to the impact on the people being influenced" (p. 18). Here Hersey refers to what followers need from their leaders and their ability to perform without a lot of structure and guidance. Therefore, a follower's ability to perform may be related to whether they feel empowered by the leadership style of their leader. A combination of styles may be more prudent to satisfy both individual and organizational outcomes.

Notwithstanding the contributions of leadership, perceived empowerment remained a consistent contributor to OE suggesting that organizations should focus on promoting empowerment in as many ways possible. Empowerment is not static but a complicated process with many components and should be tailored to an organization's particular structure. This may be why organizations do not always obtain the results promised from off-the-shelf applications.

Another key finding of this study, with a significant implication for organizations is the impact, or lack of impact, of affect. Little research has been done on how dispositional affect influences various outcomes. In

adding to the research, this study suggests that on an organizational level, affect is not a source of shared variance or a significant factor in organizational effectiveness.

Affect (including PA) was neither a mediator nor moderator of the empowerment-OE relationship. Whether employees perceive, or approach situations positively or negatively does not seem to hinder the overall effectiveness of an organization. This finding does not add support to Hersey's (1992) premise that effectiveness has to do with people's attitudes about performing the work. This is an important concept when through the years organizations have invested many resources to keeping employees happy in the hopes of better results. This study implies that, at least in the empowerment-OE framework, organizational efforts could be focused in other areas instead of promoting positive affective disposition. This finding also reinforces the premise that empowerment is more of what managers do and not just how people feel.

This study also found that transactional leadership is a driving force to organizational effectiveness when paired with empowerment. This finding implies that leadership, other than transformational, when paired with empowerment can have a great impact in the level of effectiveness experienced by an organization. Leadership is an important driving force within an organization but not the only one.

Organizationally, the driving force of transactional leadership was found to be the significant contributor to OE in the government setting under study. This finding maintains the importance of empowerment and tailoring efforts to the type of organizational setting that exists to achieve desired results.

REFERENCES

- Aktouf, O. (1992). Management and theories of organizations in the 1990's: Toward a critical radical humanism? *Academy of Management Review*, 17(3), 407-431.**
- Alimo-Metcalfe, B. (1993, October). A woman's ceiling: A man's floor. *Health Service Journal*, 25-26.**
- Alimo-Metcalfe, B. (1995). An investigation of female and male constructs of leadership and empowerment. *Women in Management Review*, 10(2), 3-8.**
- Alimo-Metcalfe, B. (1996). Leaders or Managers. *Nursing Management*, 3(1), 22-24.**
- Ashforth, B. E. (1989). The experience of powerlessness in organizations. *Organizational Behavior and Human Decision Processes*, 43, 207-242.**
- Avolio, B. J. (1994). The alliance of total quality and the full range of leadership. In Bass, B. M. & Avolio, B. J. (Eds.), *Improving organizational effectiveness through transformational leadership* (pp.121-137). Thousand Oaks, CA: Sage Publications, Inc.**
- Avolio, B. J., & Bass, B. M. (1991). The full-range of leadership development. In B. Bass & B. Avolio (Eds.). *MLQ Multifactor Leadership Questionnaire for research manual* (p. 5). Redwood City, CA: Mind Garden.**

- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review*, 84(2), 191-215.**
- Bandura, A. (1986). *Social foundations of thought and action: A social-cognitive view*. Englewood Cliffs, NJ: Prentice-Hall.**
- Bandura, A. (1989). Human agency in social cognitive theory. *American Psychologist*, 44, 1175-1184.**
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. NY: W.H. Freeman and Company.**
- Baron, R. M, Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173-1182.**
- Bass, B. M. (1960). *Leadership, psychology, and organizational behavior*. NY: Harper.**
- Bass, B. M. (1966). A plan to use programmed group exercises to study cross-cultural differences in management behavior. *International Journal of Psychology*, 1, 315-322.**
- Bass, B. M. (1985). *Leadership and Performance Beyond Expectations*. New York: Free Press.**
- Bass, B. M. (1990). *Bass and Stogdill's handbook of leadership*. (3rd ed.). New York: Free Press.**

Bass, B. M., & Avolio, B. J. (Eds.). (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage.

Bass, B., & Avolio, B. (1995). *Multifactor Leadership Questionnaire: Manual for research*. Redwood City, CA: Mind Garden.

Bass, B. M., & Yammarino, F. J. (1991). Congruence of self and others' leadership ratings of naval officers for understanding successful performance. *Applied-Psychology: An international review*, 40(4), 437-454.

Bell, N. E. & Staw, B. M. (1989). People as sculptors versus sculpture: The roles of personality and personal control in organizations. In M. B. Arthur, D. T. Hall, & B. S. Lawrence (Eds.), *Handbook of career theory*. New York: Cambridge University Press.

Bowen, D. E., & Lawler III, E. E. (1992, Spring). The empowerment of service workers: What, why, how, and when. *Sloan Management Review*, 33(3), 31-40.

Brief, A. P., Butcher, A. H., & Roberson, L. (1995). Cookies, disposition and job attitudes: The effects of positive mood-inducing events and negative affectivity on job satisfaction in a field experiment. *Organizational Behavior and Human Decision Processes*. 62(1), 55-62.

- Brief, A. P., & Weiss, H. (2002). Organizational Behavior: Affect in the workplace. *Annual Review of Psychology*, 53, 279-307.**
- Buad 304-Organizational Behavior: Chapter 11: Leadership. (Spring, 1997). Retrieved November 17, 1999, from University of Southern California, Marshall School of Business Web site: <http://www-cf.usc.edu/~kxin/ch11.htm>.**
- Burke, W. (1986) Leadership as empowering others. In S. Srivastara (Ed.), *Executive power* (pp. 51-77). San Francisco: Jossey-Bass.**
- Burns, J. M. (1978). *Leadership*. New York: Harper & Row.**
- Cameron, K. S. (1982). *A comprehensive bibliography of organizational effectiveness*. Boulder, Colo.: National Center for Higher Education Management Systems.**
- Cameron, K. S., & Whetten, D. S. (Eds.). (1983). *Organizational effectiveness: A comparison of multiple models*. San Diego, CA: Academic Press.**
- Campbell, J. P. (1977). On the nature of organizational effectiveness. In P. S. Goodman & J. M. Pennings (Eds.), *New perspectives on organizational effectiveness*. (pp. 13-55). San Francisco: Jossey-Bass.**
- Conger, J. A., & Kanungo, R. N. (1987). Toward a behavioral theory of charismatic leadership in organizational settings. *The Academy of Management Review*, 12(4), 637-648.**

- Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice. *Academy of Management Review*, 13(3), 471-482.**
- Crainer, S. (1996). *Key management ideas: Thinking that changed the management world*. London: Pitman Publishing.**
- Cummings, L. L., & Staw, B. M. (Eds.). (1990). *Leadership, participation, and group behavior*. Greenwich, Ct: Jai Press Inc.**
- Deci, E. L., Connell, J. P., & Ryan, R. M. (1989). Self-determination in a Work Organization. *Journal of Applied Psychology*, 74(4), 580-590.**
- Development Dimensions International, Inc. (1991). *The empowering leader*. Pittsburgh, PA: Author.**
- Dockstader, S. L. (1997, October). *Leadership and management: the strategic and operational jobs of improving performance*. Symposium conducted at the Fifth Annual Hawaii Conference on Performance Excellence, Honolulu, Hawaii.**
- Eagly, A. H., & Johnson, B. T. (1990). Gender and leadership style: A meta-analysis. *Psychological Bulletin*, 108(2), 233-256.**
- Fiedler, F. E. (1967). *A theory of leadership effectiveness*. New York: McGraw-Hill.**

- Forbes, D. P. (1998). Measuring the unmeasurable: Empirical studies of nonprofit organization effectiveness from 1977 to 1997. *Nonprofit and Voluntary Sector Quarterly*, 27(2), 183-202.**
- Fowler, F. J. (1995). *Improving Survey Questions*. Thousand Oaks, CA: Sage Publications, Inc.**
- Fried, Y., Levi A. S., Ben-David, H. A. & Tiegs, R. B. (1999). Inflation of subordinates' performance ratings: Main and interactive effects of rater negative affectivity, documentation of work behavior, and appraisal visibility. *Journal of Organizational Behavior*, 20(4), 431-444.**
- George, J. M. (1996). Trait and state affect. In K. R. Murphy (Ed.). *Individual differences and behavior in organizations*. San Francisco, CA: Jossey-Bass, Inc.**
- Gist, M. E. (1987). Self-efficacy: Implications for organizational behavior and human resource management. *Academy of Management Review*, 12(3), 472-485.**
- Goodman, P. S., & Pennings, J. M., & Associates. (1977). *New perspectives on organizational effectiveness*. San Francisco, CA: Jossey-Bass, Inc.**

- Goodman, P. S., & Pennings, J. M. (1980) Critical issues in assessing organizational effectiveness. In E. E. Lawler, D. A. Nadler, and C. Cammann (Eds.). *Organizational assessment: Perspectives on the measurement of organizational behavior and the quality of work life.* New York: Wiley.**
- Green, S. B., Salkind, N. J., & Akey, T. M. (2000) *Using SPSS for Windows: Analyzing and Understanding Data.* Upper Saddle River, NJ: Prentice-Hall, Inc.**
- Hackman, J. R., & Oldham, G. R. (1980). *Work redesign.* Reading, MA: Addison-Wesley.**
- Halpin, A. W., & Winer, B. J. (1957). A factorial study of the leader behavior descriptions. In R. M. Stogdill & A. E. Coons (Eds.), *Leader behavior: Its description and measurement.* Columbus: Ohio State University, Bureau of Business Research.**
- Heller, F. (n.d.). Leadership. Retrieved November 17, 1999, from <http://www.itbp.com/hrm/iebm/leadership.htm>.**
- Hersey, P. (1992). *The situational leader.* Escondido, CA: Center for Leadership Studies.**
- House, R. J. (1971). A path goal theory of leader effectiveness. *Administrative Science Quarterly*, 16(3), 321.**

- House, R. J., & Baetz, J. L. (1979). *Leadership: Some empirical generalizations and new research directions*. In B. M. Staw (Ed.), *Research in organizational behavior: Vol 1*. (p. 399). Greenwich, Ct: Jai Press Inc.
- House, R. J., & Baetz, M. L. (1990). *Leadership: Some empirical generalizations and new research directions*. In L. L. Cummings & B. M. Staw (Eds.), *Leadership, participation and group behavior*. Greenwich, Ct: Jai Press Inc.
- Kanter, R. M. (1979). *Power failure in management circuits*. *Harvard Business Review*, 57(4), 65.
- Kanter, R. M. (1983) *The change masters: Innovation for productivity in the American corporation*. New York: Simon and Schuster.
- Kanter, R. M. (1984). *Managing transitions in organizational culture: The case of participative management at Honeywell*. In Kimberly, J. R. & Quinn, R. E. (Eds.) *Managing Organizational Transitions*. Homewood, IL: Richard D. Irwin, Inc.
- Kanter, R. M. (2001, December). *The end of the end of big government*. *Business 2.0*, 2(10), 40.
- Kenny, D. A., Kashy, D. A., & Bolger, N. (1998). *Data analysis in social psychology*. In Gilber, D. T., Fiske, S. T., & Lindzey, G. (Vol. Eds.) *Handbook of Social Psychology* (4th ed., pp. 233-265). New York: McGraw-Hill.

- Kirkman, B. L., & Rosen, B. (1996, April). *Toward a model of self-managing work team empowerment*. Poster session presented at the 11th Annual Conference of the Society for Industrial and Organizational Psychology, San Diego, CA.**
- Klein, K. J., Dansereau, F., & Hall, R. J. (1994). *Levels issues in theory development, data collection, and analysis*. *Academy of Management Review*, 19, 195-229.**
- Kotter, J. P. (1990, May-June). *What leaders really do*. *Harvard Business Review*, 103-111.**
- Kouzes, J. M., & Posner, B. Z. (1987). *The leadership challenge*. San Francisco: Jossey-Bass.**
- Lawler, E. E., Mohrman, S. A., & Ledford, G. E. (1992). *Employee involvement and total quality management*. San Francisco: Jossey-Bass.**
- Livingstone, J. S. (1988, Sept-Oct). *Pygmalion in management*. *Harvard Business Review*, 121-130.**
- Luthans, F. (Ed.). (1989). *Organizational behavior*. NY: McGraw-Hill.**
- Mainiero, L.A. (1986). *Coping with powerlessness: The relationship of gender and job dependency to empowerment-strategy usage*. *Administrative Science Quarterly*, 31, 633-653.**

- Marsh, R. M., & Mannari, H. (1976). Employee Performance in Japanese Firms: An explanation. In S. L. Spray (Ed.), Organizational effectiveness: Theory-utilization-research, (pp. 89-105). Thomson Press (India) Limited.**
- Maton, K. I., & Rappaport. J. (1984). Empowerment in a religious setting: A multivariate investigation. Prevention in Human Services, 3, 37-70.**
- Maton, K. I., & Salem, D. A. (1995). Organizational characteristics of empowering community settings: A multiple case study approach. American Journal of Community Psychology, 23(5), 631-656.**
- McClelland, D. C. (1975). Power: The inner experience. New York: Irvington Press.**
- Miller, D. (1991). Stale in the saddle: CEO tenure and the match between organization and environment. Management Science, 37(1), 34-52.**
- Miller, D., & Droge, C. (1986). Psychological and traditional determinants of structure. Administrative Science Quarterly, 31(4), 539-560.**
- Mohr, L. B. (1983). The implications of effectiveness theory for managerial practice in the public sector. In K. Cameron & D. Whetton (Eds.), Organizational effectiveness: A comparison of multiple models. Orlando, FL.: Academic Press.**

- Nebeker, D. M., Tatum, B. C., & Wolosin, D. G. (1994).**
Examples of white-collar measurement using a typology of organizational effectiveness. San Diego, CA: Navy Personnel Research and Development Center.
- Ostroff, C. (1992).** The relationship between satisfaction, attitudes, and performance: An organizational level analysis. *Journal of Applied Psychology, 77(6), 963-974.*
- Ostroff, C. (1993).** Comparing correlations based on individual-level and aggregated data. *Journal of Applied Psychology, 78(4), 569-582.*
- Quin, R. E., & Cameron, K. (1983).** Organizational life cycles and shifting criteria of effectiveness: Some preliminary evidence. *Management Science, 29(1), 33-52.*
- Quinn, R. E., & Kimberly, J. R. (1984).** Paradox, planning, and perseverance: Guidelines for managerial practice. In Kimberly, J.R. & Quinn, R.E. (Eds.) *Managing Organizational Transitions.* Homewood, IL: Richard D. Irwin, Inc.
- Quinn, R. E., & Rohrbaugh, J. (1983).** A spatial model of effectiveness criteria: Towards a competing values approach to organizational analysis. *Management Science, 29, 363-377.*
- Rappaport, J. (1984).** Studies in empowerment: Introduction to the issue. *Prevention in Human Services, 3, 1-7.*

- Rohrbaugh, J., & Quinn, R. E. (1980). Evaluating the Performance of Public Organizations: A method for developing a single index. *J. Health and Human Resources Admin*, 2, 343-354.
- Rosenbach, W. E., & Taylor, R. L. (Eds.). (1993). *Contemporary issues in leadership* (3rd ed.). Boulder, CO: Westview Press.
- Schneider, B. (1996). When individual differences aren't. In K. R. Murphy (Ed.), *Individual differences and behavior in organizations* (pp. 548-569). San Francisco: Jossey-Bass Publishers.
- Schoorman, F. D., & Schneider, B. (Eds.). (1988). *Facilitating work effectiveness*. Lexington, Mass: Lexington Books.
- Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural models. In S. Leinhardt (Ed.), *Sociological methodology*, (pp. 290-312). San Francisco: Jossey-Bass.
- Spreitzer, G. M. (1992). *When organizations dare: The dynamics of individual empowerment in the workplace*. Unpublished doctoral dissertation, The University of Michigan.
- Spreitzer, G. M. (1995a). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442-1465.

- Spreitzer, G. M. (1995b). An empirical test of a comprehensive model of intrapersonal empowerment in the workplace. *American Journal of Community Psychology*, 23(5), 601-629.**
- Spreitzer, G. M. (1996a). Social structure characteristics of psychological empowerment. *Academy of Management Journal*, 39(2), 483-504.**
- Spreitzer, G. M. (Sep. 1996b). Empowering middle managers to be transformational leaders. *The Journal of Applied Behavioral Science*, 32(3), 237-254.**
- Starbuck, W. H., & Nystrom, P. C. (1983). In K. S. Cameron & D. Whetton (Eds.), *Organizational effectiveness: A comparison of multiple models*. Orlando, FL.: Academic Press.**
- Staw, B. M., & Barsade, S. G. (1993). Affect and managerial performance: A test of the sadder-but-wiser vs. happier-and-smarter hypotheses. *Administrative Science Quarterly*, 38(2), 304-310.**
- Steers, R. M. (1975). Problems in the measurement of organizational effectiveness. *Administrative Science Quarterly*, 20, 546-558.**
- Steers, R. M. (1977). *Organizational effectiveness: A behavioral view*. Santa Monica, CA: Goodyear Publishing Company, Inc.**
- Stogdill, R. M. (1974). *Handbook of leadership: A survey of theory and research*. NY: Free Press.**

- Tannebaum, A. S. (1968). *Control in organizations*. New York: McGraw Hill.**
- Thomas, K. W., & Velthouse, B. A. (1990). Cognitive elements of empowerment: An "interpretive" model of intrinsic task motivation. *Academy of Management Review*, 15(4), 666-681.**
- Tichy, N. M., & Devanna, M. A. (1986). *The Transformational Leader*. New York: Wiley.**
- Tymon, W. G., Jr. (1988). *An empirical investigation of a cognitive model of empowerment*. Unpublished doctoral dissertation, Temple University, Philadelphia.**
- Vandenberg, R. J. (1996). *Examining the influences of employee involvement processes on organizational effectiveness: A look at the insurance industry*. Athens, GA: Life Office Management Association, Inc.**
- Vroom, V. H. ((1960). The effects of attitudes on perceptions of organizational goals. *Human Relations*, 13, 229-240.**
- Wagner, J. (1994). Participations' effect on performance and satisfaction: A reconsideration of the research evidence. *Academy of Management Review*, 19(2), 312-330.**
- Watson, D., Clark, L. A., & Tellegen, A. (1988). Development and validation of brief measures of positive and negative affect: The PANAS scales. *Journal of Personality and Social Psychology*, 54, 1063-1070.**

Weiss, H. M. (in press). Deconstructing job satisfaction: Separating evaluations, beliefs and affective experiences. *Human Resource Management Review*.

Yammarino, F. J., & Bass, B. M. (1990). Long-term forecasting of transformational leadership and its effect among naval officers: Some preliminary findings. In K. E. Clark & M. B. Clark (Eds.), *Measures of leadership* (pp. 151-169). West Orange, NJ: Leadership Library of America.

Zimmerman, M. A. (1990). Taking aim on empowerment research: On the distinction between individual and psychological conceptions. *American Journal of Community Psychology*, *18*(1), 169-177.

Zimmerman, M. A. (1995). Psychological empowerment: Issues and illustrations. *American Journal of Community Psychology*, *23*(5), 581-599.

Zimmerman, M. A. (2000). Empowerment theory: Psychological, organizational and community levels of analysis. In J. Rappaport, & E. Seidman (Eds.), *Handbook of community psychology*. New York: Plenum Press.

APPENDIX A

CONFIDENTIALITY FORM

Appendix A

CONSENT AGREEMENT

**The Effect of Empowerment on Organizational Effectiveness Moderated by
Leadership Style: An Applied Assessment**

You are being asked to participate in a research study. To fully understand your involvement, please read the following and ask any questions necessary.

INVESTIGATOR

Isabel Perez, M.A., (202) 693-3160

Richard Sorenson, Ph.D., Dissertation Chair, (858) 623-2777

PURPOSE OF THE RESEARCH

Isabel Perez is conducting a research project investigating the different factors and effects contributing to organizational effectiveness. Existing research has shown that several factors independently impact the effectiveness of an organization. The current project attempts to assess the contribution of several factors together to determine how they interact in a working environment.

PARTICIPATION: PROCEDURE, DURATION & NUMBER OF PARTICIPANTS

Should you agree to participate in this study, you will be asked to fill out four surveys. Your participation in the project will last about 25 minutes. Approximately 340 participants will be involved in this study.

BENEFITS AND RISKS

The risk of harm anticipated in answering the survey questions are not greater than that encountered during the performance of routine psychological examinations or tests. No personal benefits will be gained from participating in the research study other than contributing to further research in the area of organizational effectiveness.

CONFIDENTIALITY

The study is anonymous and confidential. Any information that could identify you will be kept confidential. If you would like a copy of the results please check the appropriate box and enter the contact information requested on the demographic survey page.

.....

indicate my willingness for my responses to these questions to be used in this organizational effectiveness research project by checking this box

I indicate that I do not wish to participate in this research project by checking this box

SUBJECTS BILL OF RIGHTS

As a participant in a research study, you have certain rights and responsibilities. It is important that you fully understand the nature and purpose of the research and that your consent be offered willingly and with complete understanding. To aid in your understanding, you have the following specific rights:

1. To be informed of the nature and purpose of the research in which you are participating.
2. To be given an explanation of all procedures to be followed.
3. To be given an opportunity and encouraged to ask any questions concerning the study or the procedures involved in this research.
4. To be made aware that consent to participate in the research may be withdrawn and that participation may be discontinued at any time without adverse affect.
5. To be given a copy of the signed and dated written consent form if requested.

To not be subjected to any element of force, fraud, deceit, duress, coercion, or any influence in reaching your decision to consent or to not consent to participate in the research.

If you have any questions or concerns please contact Isabel Perez at (202) 693-3160 or Dr. Richard Sorenson at (858) 623-2777.

APPENDIX B

EMPOWERMENT SURVEY

Empowerment, Effectiveness & Leadership 137

Appendix B Work Orientation

Listed below are a number of orientations people can have with respect to their work roles. Using the following scale, please indicate the extent to which you believe each is true with respect to your work role.

1. Very Strongly Disagree		5. Agree
2. Strongly Disagree	4. Neither Agree nor Disagree	6. Strongly Agree
3. Disagree		7. Very Strongly Agree

- _____ The work I do is very important to me
- _____ I have significant autonomy in determining how I do my job
- _____ I am confident about my ability to do my job
- _____ My job activities are personally meaningful to me
- _____ My impact on what happens in my department is large
- _____ I have mastered the skills necessary for my job
- _____ I can decide on my own how to go about doing my work
- _____ I have a great deal of control over what happens in my department
- _____ The work I do is meaningful
- _____ I am self-assured about my capability to perform my work
- _____ I have significant influence over what happens in my department
- _____ I have considerable opportunity for independence and freedom in how I do my job

APPENDIX C

LEADERSHIP SURVEY

Appendix C

mind garden

**MLQ Multifactor Leadership Questionnaire
Rater Form (5x-Short)**

Name of Leader _____ Date _____

Organization ID # _____ Leader ID # _____

This questionnaire is to describe the leadership style of the above-mentioned individual as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.** Please answer this questionnaire anonymously.

IMPORTANT (necessary for processing): Which best describes you?

- I am at a higher organizational level than the person I am rating
- The person I am rating is at my organizational level
- I am at a lower organizational level than the person I am rating
- I do not wish my organizational level to be known

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

THE PERSON I AM RATING

1	Provides me with assistance in exchange for my efforts	0	1	2	3	4
2	Re-examines critical assumptions to question whether they are appropriate	0	1	2	3	4
3	Fails to interfere until problems become serious	0	1	2	3	4
4	Focuses attention on irregularities, mistakes, exceptions, and deviations from standards	0	1	2	3	4
5	Avoids getting involved when important issues arise	0	1	2	3	4
6	Talks about their most important values and beliefs	0	1	2	3	4
7	Is absent when needed	0	1	2	3	4
8	Seeks differing perspectives when solving problems	0	1	2	3	4
9	Talks optimistically about the future	0	1	2	3	4
10	Instills pride in me for being associated with him/her	0	1	2	3	4
11	Discusses in specific terms who is responsible for achieving performance targets	0	1	2	3	4
12	Waits for things to go wrong before taking action	0	1	2	3	4
13	Talks enthusiastically about what needs to be accomplished	0	1	2	3	4
14	Specifies the importance of having a strong sense of purpose	0	1	2	3	4
15	Spends time teaching and coaching	0	1	2	3	4

Copyright © 1990 by Bernard M. Bass and Bruce J. Avolio. All rights reserved.
Distributed by Mind Garden, Inc., 1690 Woodside Road, Suite 202, Redwood City, California 94061, 650.261.3503

Continued →

Empowerment, Effectiveness & Leadership 140

	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
	0	1	2	3	4
16. Makes clear what one can expect to receive when performance goals are achieved	0	1	2	3	4
17. Shows that he/she is a firm believer in "if it ain't broke, don't fix it."	0	1	2	3	4
18. Goes beyond self-interest for the good of the group	0	1	2	3	4
19. Treats me as an individual rather than just as a member of a group	0	1	2	3	4
20. Demonstrates that problems must become chronic before taking action	0	1	2	3	4
21. Acts in ways that builds my respect	0	1	2	3	4
22. Concentrates his/her full attention on dealing with mistakes, complaints, and failures	0	1	2	3	4
23. Considers the moral and ethical consequences of decisions	0	1	2	3	4
24. Keeps track of all mistakes	0	1	2	3	4
25. Displays a sense of power and confidence	0	1	2	3	4
26. Articulates a compelling vision of the future	0	1	2	3	4
27. Directs my attention toward failures to meet standards	0	1	2	3	4
28. Avoids making decisions	0	1	2	3	4
29. Considers me as having different needs, abilities, and aspirations from others	0	1	2	3	4
30. Gets me to look at problems from many different angles	0	1	2	3	4
31. Helps me to develop my strengths	0	1	2	3	4
32. Suggests new ways of looking at how to complete assignments	0	1	2	3	4
33. Delays responding to urgent questions	0	1	2	3	4
34. Emphasizes the importance of having a collective sense of mission	0	1	2	3	4
35. Expresses satisfaction when I meet expectations	0	1	2	3	4
36. Expresses confidence that goals will be achieved	0	1	2	3	4
37. Is effective in meeting my job-related needs	0	1	2	3	4
38. Uses methods of leadership that are satisfying	0	1	2	3	4
39. Gets me to do more than I expected to do	0	1	2	3	4
40. Is effective in representing me to higher authority	0	1	2	3	4
41. Works with me in a satisfactory way	0	1	2	3	4
42. Heightens my desire to succeed	0	1	2	3	4
43. Is effective in meeting organizational requirements	0	1	2	3	4
44. Increases my willingness to try harder	0	1	2	3	4
45. Leads a group that is effective	0	1	2	3	4

APPENDIX D

DEMOGRAPHIC FORM

Appendix D

Demographic Information

1. Gender: (Please circle one)
 - a. Female
 - b. Male

 2. In which of these groups is your age?
___ Under 30
___ 30 to 44
___ 45 to 64
___ 65 or older

 3. What is the highest level *or* years of school you have completed?
Highest level (*check one*): high school ___ college ___ graduate school ___
Number of school years _____

 4. Pay grade level
(GS): _____

 5. Years of service with the OWS and its predecessor organizations? _____

 6. What is your race?
___ Black
___ White
___ Asian (or Pacific Islander) _____
___ Native American Indian
___ Other (please specify) _____
- I would like a copy of the results. Please send them to me at the following (e) mail address: _____
- I do not want a copy of the results.

APPENDIX E

ORGANIZATIONAL EFFECTIVENESS QUESTIONNAIRE

Appendix E

**Office of Workforce Security (OWS)-Specific Performance Measures:
Development Process**

In response to the requirements outlined in the Government Performance and Results Act (GPRA) of 1993 calling for greater accountability and results-oriented measures, the Empowerment & Training Administration of Department of Labor created program specific key performance measures for the workforce development system. However, in order to solely assess the effectiveness of OWS performance within I-FA, operational OWS specific measures will be developed using the attached questionnaire that reflect the duties and goals of each Division within OWS.

Steps for completion:

Step 1: Identify key result areas.

(Key result areas are areas within the organization that are essential to meeting the mission objectives of the organization and strategic goals.)

The key result areas identified in the OWS Mission are to manage strategically in order to ensure:

1. High performance
2. Greater public awareness
3. Service quality
4. Customer satisfaction

Since each division within OWS operates under the same mission, it is most useful to use the language of the four common Mission objectives as measures of effectiveness with customer satisfaction as optional.

Step 2: Define each key result as it is understood or pertains to OWS and your division.

(For example, what does high performance mean to the programs and functions for which your division is responsible?)

Step 3: Identify performance indicators.

(Performance indicators are how the key result areas are measured.)

When identifying performance indicators that describe how each key result is accomplished within your division use the criteria below as guidelines to identify good measures:

The acronym **ACORN** describes desirable characteristics that measures should possess however each measure will not necessarily possess all of the characteristics listed below:

Accomplishment—measures should reflect accomplishments of the division. Do not include behaviors that may or may not promote the *key result*.

Control—measures should be under the control of the division and its staff.

Overall—measures should portray the important elements of the division as a whole and cover all aspects of division performance.

Reconciled—measures should be consistent with the optimal performance of the division, and ultimately the OWS, as a whole. Select measures that reflect divisional contributions to the OWS Mission as a whole.

Numeric—measures should reflect a numeric value that can be monitored across time.

*Customer satisfaction may not be used due to the fact that this objective may not be applied OWS-wide.

Empowerment, Effectiveness & Leadership 145

NOTE: In addition to the above criteria try to choose measures (duties/responsibilities) that are consistent/stable from year to year. Measures should reflect the role OWS plays in working with the states to accomplish its goals. They should reflect duties performed by the division to assist or support the work conducted by third parties (states) or outsourcing agencies. The measures should not reflect the work actually performed by third parties themselves.

Sources of Measurement

For purposes of this exercise, performance measures may be based on either or both of these sources:

Objective — quantifiable performance data kept by your division on its internal performance relating to the measure

Subjective — data not objectively obtained (for example, quality of work)

Types of Performance Measures

Performance measures show the relationship between resources such as inputs and results (outcomes). As such, there are a variety of performance measure types, which may be used to describe your division's key results. The following may be used to help you in identifying your division's performance measures:

Efficiency Measures — measures that illustrate to what degree your division is using its resources wisely. This measure is usually seen as "doing things right" in terms of inputs (time, labor, cost) to outputs (end result of an internal operation for example, grants completed, opinions sent, audits completed).

Effectiveness Measures — measures that judge how well your division is meeting the goals of quantity, quality and/or timeliness. This measure is usually seen as "doing the right thing" in terms of its output goals. These measures may be objective or subjective (for example, customer satisfaction).

Process Measures — measures that indicate control of internal operations. These measures identify the process used in completing a task (for example, processing a grant).

Outcome Measures — measures that reflect how well the division is doing in meeting OWS strategic goals or mission objectives (for example, training 30 states per year on ETA procedures).

Step 4: Assign importance to each key result performance measure.

Rank each key result then each performance measure identified in terms of importance within the division and OWS.

Key results should be ranked using the following order: 1—most important, 2—medium importance and 3—least important. Rank numbers may be used more than once if key results are equally important.

Performance indicators under each key result should be ranked using 1 as most important and continuing using numbers as high as the number of measures identified with the highest number as least important. Rank numbers may be used more than once if performance measures are equally important.

OWS-Specific Performance Measures Questionnaire

OWS Purpose: The Office of Workforce Security implements a national workforce system that provides workers with the information, advice, job search assistance, and income maintenance to get and keep good jobs and provide employers with skilled workers.

Mission Objective: Manage strategically in order to ensure high performance, greater public accountability, service quality, and customer satisfaction.

Key Results

High Performance		
	Definition	Rank
OWS		
Division		
Greater Public Accountability		
	Definition	Rank
OWS		
Division		
Service Quality		
	Definition	Rank
OWS		
Division		
Customer Satisfaction		
	Definition	Rank
OWS		
Division		

**Office of Workforce Security (OWS)-Specific Performance Measures:
Development Process**

In response to the requirements outlined in the Government Performance and Results Act (GPRA) of 1993 calling for greater accountability and results-oriented measures, the Employment & Training Administration of Department of Labor created program specific key performance measures for the workforce development system. However, in order to solely assess the effectiveness of OWS performance within ETA, operational OWS specific measures will be developed, using the attached questionnaire, that reflect the duties and goals of the regions within OWS.

Steps for completion:

Step 1: Identify key result areas.
(Key result areas are areas within the organization that are essential to meeting the mission objectives of the organization and strategic goals.)

The key result areas identified in the OWS Mission are to manage strategically in order to ensure:

1. High performance
2. Greater public accountability
3. Service quality
4. Customer satisfaction

Since each division within OWS operates under a common mission, I propose to use the first three of the four common Mission objectives as measures of effectiveness with customer satisfaction as optional.

Step 2: Define each key result as it is understood or pertains to OWS and your region.
(For example, what does high performance mean to the programs and functions for which your region is responsible?)

Step 3: Identify performance indicators.
(Performance indicators are how the key result areas are measured.)

When identifying performance indicators that describe how each key result is accomplished within your region use the criteria below as guidelines to identify good measures:

The acronym **ACORN** describes desirable characteristics that measures should possess however, each measure will not necessarily possess all of the characteristics listed below:

Accomplishment—measures should reflect accomplishments of the region regions. Do not include behaviors that may or may not promote the *key result*.

Control—measures should be under the control of the region and its staff.

Overall—measures should portray the important elements of the region as a whole and cover all aspects of regional performance.

Reconciled—measures should be consistent with the optimal performance of the region, and ultimately the OWS, as a whole. Select measures that reflect regional contributions to the OWS Mission as a whole.

Numeric—measures should reflect a numeric value that can be monitored across time.

"Customer satisfaction" may not be used due to the fact that this objective may not be applied OWS-wide

NOTE In addition to the above criteria try to choose measures (duties, responsibilities) that are consistent stable from year to year. Measures should reflect the role OWS plays in working with the states to accomplish its goals. They should reflect duties performed by the region to assist or support the work conducted by third parties (states) or outsourcing agencies. The measures should not reflect the work actually performed by third parties themselves.

Sources of Measurement

For purposes of this exercise, performance measures may be based on either or both of these sources:

Objective quantifiable performance data kept by your region on its internal performance relating to the measure

Subjective data not objectively obtained (for example, quality of work)

Types of Performance Measures

Performance measures show the relationship between resources such as inputs and results (outcomes). As such, there are a variety of performance measure types, which may be used to describe your region's key results. The following may be used to help you in identifying your region's performance measures:

Efficiency Measures: measures that illustrate to what degree your region is using its resources wisely. This measure is usually seen as "doing things right" in terms of inputs (time, labor, cost) to outputs (end result of an internal operation for example, grants completed, opinions sent, audits completed)

Effectiveness Measures: measures that judge how well your region is meeting the goals of quantity, quality and/or timeliness. This measure is usually seen as "doing the right thing" in terms of its output goals. These measures may be objective or subjective (for example, customer satisfaction)

Process Measures: measures that indicate control of internal operations. These measures identify the process used in completing a task (for example, processing a grant)

Outcome Measures: measures that reflect how well the region is doing in meeting OWS strategic goals or mission objectives (for example, training 30 states per year on FIA procedures)

Step 4: Assign importance to each key result performance measure.

(Rank each key result then each performance measure identified in terms of importance within the regions and OWS)

Key results should be ranked using the following order: 1=most important, 2=medium importance and 3=least important. Rank numbers may be used more than once if key results are equally important.

Performance indicators under each key result should be ranked using 1 as most important and continuing using numbers as high as the number of measures identified with the highest number as least important. Rank numbers may be used more than once if performance measures are equally important.

OWS-Specific Performance Measures Questionnaire

OWS Purpose: The Office of Workforce Security implements a national workforce system that provides workers with the information, advice, job search assistance, and income maintenance to get and keep good jobs and provide employers with skilled workers.

Mission Objective: Manage strategically in order to ensure high performance, greater public accountability, service quality, and customer satisfaction.

Key Results

High Performance		
	Definition	Rank
OWS:		
Region:		
Greater Public Accountability		
	Definition	Rank
OWS:		
Region:		
Service Quality		
	Definition	Rank
OWS:		
Region:		
Customer Satisfaction (optional)		
	Definition	Rank
OWS:		
Region:		

APPENDIX F

ORGANIZATIONAL EFFECTIVENESS SURVEY

Appendix F

Leader 1

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5
HIGH PERFORMANCE				

1. How effective is your Division in promptly resolving conformity and compliance issues?

1	2	3	4	5
---	---	---	---	---
2. How effective is your Division in using proactive resources to be up-to-date on all UI legislation?

1	2	3	4	5
---	---	---	---	---
3. How effective is your Division in properly interpreting state or federal UI proposals on first submission for review?

1	2	3	4	5
---	---	---	---	---
4. How effective is your Division in training states on federal requirements?

1	2	3	4	5
---	---	---	---	---

GREATER PUBLIC ACCOUNTABILITY				
--------------------------------------	--	--	--	--

5. How effective is your Division in making sure that staff possesses the proper knowledge to do the job?

1	2	3	4	5
---	---	---	---	---
6. How effective is your Division in portraying fairness in its decisions?

1	2	3	4	5
---	---	---	---	---
7. How effective is your Division in using plain language in its documents to promote understanding?

1	2	3	4	5
---	---	---	---	---
8. How effective is your Division in informing staff of priorities?

1	2	3	4	5
---	---	---	---	---

SERVICE QUALITY				
------------------------	--	--	--	--

9. How effective is your Division in meeting deadlines on controlled correspondence?

1	2	3	4	5
---	---	---	---	---
10. How effective is your Division in submitting documents without re-do's?

1	2	3	4	5
---	---	---	---	---
11. How effective is your Division on relaying time relevant information to staff?

1	2	3	4	5
---	---	---	---	---

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5
HIGH PERFORMANCE				

1. How effective is your Division in preparing funding methodology to resolve special project problems?

1 2 3 4 5
2. How effective is your Division in developing budget justifications?

1 2 3 4 5
3. How effective is your Division in consistently preparing forecasts within acceptable levels of error?

1 2 3 4 5
4. How effective is your Division in issuing directives to states and regions timely?

1 2 3 4 5

GREATER PUBLIC ACCOUNTABILITY

5. How effective is your Division in meeting preset deadlines?

1 2 3 4 5
6. How effective is your Division at preparing projections of revenue flow?

1 2 3 4 5
7. How effective is your Division at regularly summarizing state activity for publication?

1 2 3 4 5
8. How effective is your Division in accurately tracking accounts to account for resources?

1 2 3 4 5

SERVICE QUALITY

9. How effective is your Division in meeting publication deadlines?

1 2 3 4 5
10. How effective is your Division in accurately responding to correspondence in a timely manner?

1 2 3 4 5
11. How effective is your Division on maintaining an accurate website?

1 2 3 4 5

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5

HIGH PERFORMANCE

1. How effective is your Division in meeting project plan due dates?

1	2	3	4	5
---	---	---	---	---
2. How effective is your Division in delivering problem-free products?

1	2	3	4	5
---	---	---	---	---
3. How effective is your Division in following the CMMI process?

1	2	3	4	5
---	---	---	---	---
4. How effective is your Division in keeping up with the latest technology to meet program needs?

1	2	3	4	5
---	---	---	---	---

GREATER PUBLIC ACCOUNTABILITY

5. How effective is your Division in working with work groups in the process of completing tasks?

1	2	3	4	5
---	---	---	---	---
6. How effective is your Division in successfully meeting overall audit requirements (ex. OIG, GAO)?

1	2	3	4	5
---	---	---	---	---
7. How effective is your Division in following standards for reports (ex. Security plans)?

1	2	3	4	5
---	---	---	---	---
8. How effective is your Division in sharing information in a time-relevant fashion?

1	2	3	4	5
---	---	---	---	---

SERVICE QUALITY

9. How effective is your Division in responding timely to helpdesk calls?

1	2	3	4	5
---	---	---	---	---
10. How effective is your Division in maintaining an accurate website?

1	2	3	4	5
---	---	---	---	---
11. How effective is your Division in integrating customer feedback for product improvement?

1	2	3	4	5
---	---	---	---	---

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5

HIGH PERFORMANCE

- 1. How effective is your Division in streamlining the application process to improve efficiency?
1 2 3 4 5
- 2. How effective is your Division in using new technology to improve application processing?
1 2 3 4 5
- 3. How effective is your Division in distributing data information to partners?
1 2 3 4 5
- 4. How effective is your Division in allocating resources to obtain optimal results?
1 2 3 4 5

GREATER PUBLIC ACCOUNTABILITY

- 5. How effective is your Division in training staff on new laws and regulations?
1 2 3 4 5
- 6. How effective is your Division in maintaining business rules of enforced laws in automated form?
1 2 3 4 5
- 7. How effective is your Division in developing tools to better circulate information to staff?
1 2 3 4 5
- 8. How effective is your Division in developing products to better circulate information to staff?
1 2 3 4 5

SERVICE QUALITY

- 9. How effective is your Division in providing prompt responses to customer questions?
1 2 3 4 5
- 10. How effective is your Division in using customer feedback to make improvements?
1 2 3 4 5
- 11. How effective is your Division in promptly correcting valid customer complaints?
1 2 3 4 5

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5
HIGH PERFORMANCE				

1. How effective is your Division in writing informational materials that meet program changes and OMB requirements?

1	2	3	4	5
---	---	---	---	---
2. How effective is your Division in regularly training staff on the use of data collection instruments?

1	2	3	4	5
---	---	---	---	---
3. How effective is your Division in designing appropriate measures of payment timeliness that provide valid data?

1	2	3	4	5
---	---	---	---	---
4. How effective is your Division in setting appropriate criteria for performance?

1	2	3	4	5
---	---	---	---	---

GREATER PUBLIC ACCOUNTABILITY

5. How effective is your Division in maintaining handbooks to reflect up-to-date information?

1	2	3	4	5
---	---	---	---	---
6. How effective is your Division in publishing Q&A's to state questions in a timely manner?

1	2	3	4	5
---	---	---	---	---
7. How effective is your Division in participating in audits to review regional work?

1	2	3	4	5
---	---	---	---	---
8. How effective is your Division in providing training on the Benefit Accuracy Measure to ensure proper use for valid results?

1	2	3	4	5
---	---	---	---	---

SERVICE QUALITY

9. How effective is your Division in using plain language in its products?

1	2	3	4	5
---	---	---	---	---
10. How effective is your Division in using customer feedback to make improvements?

1	2	3	4	5
---	---	---	---	---
11. How effective is your Division on researching issues to make improvements?

1	2	3	4	5
---	---	---	---	---

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5

HIGH PERFORMANCE

1. How effective is your Division in developing new initiatives through federal partnership relations?
1 2 3 4 5
2. How effective is your Division in analyzing policy issues for accuracy in application?
1 2 3 4 5
3. How effective is your Division in issuing directives to ensure compliance with laws and regulations?
1 2 3 4 5
4. How effective is your Division in addressing concerns/issues for system improvements?
1 2 3 4 5

GREATER PUBLIC ACCOUNTABILITY

5. How effective is your Division in issuing prompt responses to controlled correspondence?
1 2 3 4 5
6. How effective is your Division in not accumulating a backlog of letters?
1 2 3 4 5
7. How effective is your Division in promptly responding to GAO reports?
1 2 3 4 5
8. How effective is your Division in accurately maintaining the usworkforce.org website?
1 2 3 4 5

SERVICE QUALITY

9. How effective is your Division in using plain language in its documents and the website?
1 2 3 4 5
10. How effective is your Division in using customer feedback to make improvements?
1 2 3 4 5
11. How effective is your Division on researching One-Stop issues to make improvements?
1 2 3 4 5

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5
HIGH PERFORMANCE				

1. How effective is your Division in coordinating the oversight of directives to the One-Stop system?
1 2 3 4 5
2. How effective is your Division in performing support functions focused on capacity building within the system?
1 2 3 4 5
3. How effective is your Division in developing products that support state's system-building efforts?
1 2 3 4 5
4. How effective is your Division in developing strategies to better integrate staff-assisted and electronic labor exchange services in the One-Stop system?
1 2 3 4 5

GREATER PUBLIC ACCOUNTABILITY

5. How effective is your Division in using plain language in the preparation of policy concept papers?
1 2 3 4 5
6. How effective is your Division in working within partnerships to achieve program success?
1 2 3 4 5
7. How effective is your Division in promptly distributing approved policy concept papers?
1 2 3 4 5
8. How effective is your Division in timely distributing fact sheets to OWS Senior Staff and others?
1 2 3 4 5

SERVICE QUALITY

9. How effective is your Division in using up-to-date data in analyzing ES program performance?
1 2 3 4 5
10. How effective is your Division in managing program accountability process?
1 2 3 4 5
11. How effective is your Division in aligning division developed program performance measures with other program management systems within the WIA framework?
1 2 3 4 5

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Division using three areas of organizational performance. Your responses should reflect your opinion as to how well your Division has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5
HIGH PERFORMANCE				

- 1. How effective is your Division in developing or coordinating the preparation of regulations and/or operating instructions for administration of state and federal UI programs?

1	2	3	4	5
---	---	---	---	---
- 2. How effective is your Division in monitoring corrective actions in response to audits/reviews?

1	2	3	4	5
---	---	---	---	---
- 3. How effective is your Division in responding to requests for national and/or state specific training?

1	2	3	4	5
---	---	---	---	---
- 4. How effective is your Division in promptly providing Advisories/Directives to state agencies?

1	2	3	4	5
---	---	---	---	---

GREATER PUBLIC ACCOUNTABILITY

- 5. How effective is your Division in coordinating with state/federal offices to assure program integrity?

1	2	3	4	5
---	---	---	---	---
- 6. How effective is your Division in communicating/coordinating with the Division of Performance Management and others to develop clear data definitions for required reports?

1	2	3	4	5
---	---	---	---	---
- 7. How effective is your Division in communicating procedures to ensure fair treatment for all eligible claimants?

1	2	3	4	5
---	---	---	---	---
- 8. How effective is your Division at participating at conferences to communicate program policies?

1	2	3	4	5
---	---	---	---	---

SERVICE QUALITY

- 9. How effective is your Division at supporting strategies to improve customer service (ex. remote claim-filing)?

1	2	3	4	5
---	---	---	---	---
- 10. How effective is your Division in disseminating information on "best practices"?

1	2	3	4	5
---	---	---	---	---
- 11. How effective is your Division in developing systems to assess efficiency of program administration?

1	2	3	4	5
---	---	---	---	---

ORGANIZATIONAL EFFECTIVENESS SURVEY

The purpose of this survey is to assess the effectiveness of your Region using three areas of organizational performance. Your responses should reflect your opinion as to how well your Region has performed the tasks mentioned within the past year. Your answers should not reflect future progress or accomplishments of other Regions, Divisions or outside partners.

Please respond to the following items by circling the number on the scale that best captures your opinion.

Very Effective	Effective	Neither Effective Nor Ineffective	Not effective	Very Ineffective
1	2	3	4	5

HIGH PERFORMANCE

1. How effective is your Region in monitoring grant management for correct application?

1	2	3	4	5
---	---	---	---	---
2. How effective is your Region in providing technical assistance to states with difficulties?

1	2	3	4	5
---	---	---	---	---
3. How effective is your Region in providing an efficient system for certification processing?

1	2	3	4	5
---	---	---	---	---
4. How effective is your Region in developing individual performance improvement plans?

1	2	3	4	5
---	---	---	---	---

GREATER PUBLIC ACCOUNTABILITY

5. How effective is your Region in participating in information sharing meetings to improve system response?

1	2	3	4	5
---	---	---	---	---
6. How effective is your Region in distributing up-to-date information to staff?

1	2	3	4	5
---	---	---	---	---
7. How effective is your Region in communicating clear program expectations to states?

1	2	3	4	5
---	---	---	---	---
8. How effective is your Region in increasing communication across teams?

1	2	3	4	5
---	---	---	---	---

SERVICE QUALITY

9. How effective is your Region in promptly responding to correspondence?

1	2	3	4	5
---	---	---	---	---
10. How effective is your Region in providing 30-day feedback to grantees?

1	2	3	4	5
---	---	---	---	---
11. How effective is your Region in providing accurate responses to inquiries?

1	2	3	4	5
---	---	---	---	---

APPENDIX G

AFFECT SURVEY

Appendix G

The PANAS

This scale consists of a number of words that describe different feelings and emotions. Read each item and then mark the appropriate answer in the space next to that word. Indicate to what extent you generally feel this way, that is, how you feel on the average. Use the following scale to record your answers.

1	2	3	4	5
very slightly or not at all	a little	moderately	quite a bit	extremely

<input type="checkbox"/> interested	<input type="checkbox"/> irritable
<input type="checkbox"/> distressed	<input type="checkbox"/> alert
<input type="checkbox"/> excited	<input type="checkbox"/> ashamed
<input type="checkbox"/> upset	<input type="checkbox"/> inspired
<input type="checkbox"/> strong	<input type="checkbox"/> nervous
<input type="checkbox"/> guilty	<input type="checkbox"/> determined
<input type="checkbox"/> scared	<input type="checkbox"/> attentive
<input type="checkbox"/> hostile	<input type="checkbox"/> jittery
<input type="checkbox"/> enthusiastic	<input type="checkbox"/> active
<input type="checkbox"/> proud	<input type="checkbox"/> afraid

APPENDIX H

CORRELATION MATRIX (N=225)

Appendix H

Table
Correlation Matrix of Study Variables and Instrument Variables (N = 225)

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26			
1 Empower	.89																												
2 Perfect	.00	.89																											
3 Saffet	.00	.00	.89																										
4 Transac	.00	.00	.00	.89																									
5 IS	.00	.00	.00	.00	.89																								
6 MIP	.00	.00	.00	.00	.00	.89																							
7 MIA	.00	.00	.00	.00	.00	.00	.89																						
8 LI	.00	.00	.00	.00	.00	.00	.00	.89																					
9 AB	.00	.00	.00	.00	.00	.00	.00	.00	.89																				
10 IM	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89																			
11 IA	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89																		
12 IC	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89																	
13 Effective	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89																
14 Stimulation	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89															
15 Extra effort	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89														
16 Gender	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89													
17 Age	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89												
18 Education	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89											
19 Race	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89										
20 Tenure	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89									
21 Transhom	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89								
22 HP	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89							
23 OI	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89						
24 PA	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89					
25 SQ	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89				
26 Affect	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.89			

*p .05. **p .01

APPENDIX I

CORRELATION MATRIX (N=16)

Appendix I

Table

Correlation Matrix of Study Variables and Instrument Variables (N = 16)

Variables	1	2	3	4	5	6	7	8	9
1. Empower									
2. Pffect	.56*								
3. Nffect	-.13	.04							
4. Transform	.63**	.51*	.24						
5. Transac	.54*	.62**	.21	.91**					
6. HP	.53*	.31	.09	.46	.55*				
7. PA	.58*	.49	-.02	.29	.39	.74**			
8. SQ	.60*	.43	.11	.37	.52*	.68**	.78**		
9. OE	.63**	.47	.06	.40	.53*	.86**	.93**	.91**	
10. Affect	.64**	.81**	-.50*	.32	.42	.24	.39	.33	.36

*p < .05. **p < .01.

APPENDIX J

DESCRIPTIVE STATISTICS TABLE FOR ANOVA

Appendix J

Table
ANOVA Descriptive Statistics of Study Variables by Division/Region Leader

Factor	Division Region Leader Number																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Empower	Mean	4.85	4.76	4.67	5.08	5.12	4.68	4.29	4.80	5.31	5.13	4.93	4.53	5.55	4.97	4.86	
	Std Dev	.80	.90	1.11	.90	1.05	.91	.76	.77	.86	.97	.88	1.16	.70	.60	.73	.96
	N	10	15	10	15	12	11	13	18	10	5	12	19	6	12	20	37
PA	Mean	3.38	3.29	3.66	3.30	3.48	3.67	3.65	3.17	3.39	3.08	3.13	3.33	3.51	3.90	3.22	3.12
	Std Dev	.55	.57	.49	.58	.70	.93	.72	.70	.60	.77	.44	.90	.48	.68	.73	.71
	N	10	15	10	15	12	11	12	18	10	5	12	19	6	12	20	37
MA	Mean	1.50	1.81	1.66	1.28	1.50	1.67	1.61	1.47	1.82	1.90	1.70	1.46	1.48	1.33	1.85	1.65
	Std Dev	.38	.60	.57	.75	.44	.46	.34	.53	.61	.57	.21	.46	.27	.38	.86	.59
	N	10	15	19	15	12	11	13	18	10	5	13	19	6	12	20	37
Affect	Mean	3.98	3.82	4.07	3.55	4.01	4.03	4.06	3.90	3.83	4.19	4.11	4.00	4.02	4.29	3.87	3.93
	Std Dev	.34	.34	.44	.48	.39	.58	.49	.46	.28	.46	.31	.43	.37	.44	.36	.41
	N	10	15	10	15	12	11	12	18	10	5	13	19	6	12	20	37
Transformational	Mean	1.91	2.08	1.77	2.14	2.38	2.29	2.31	1.96	2.71	1.15	2.28	2.63	3.33	2.28	2.35	2.00
	Std Dev	.64	.87	.63	.69	.80	.92	.96	.98	.37	.32	.93	.95	.86	.78	.91	1.06
	N	10	15	10	15	13	11	12	18	10	5	12	19	6	12	20	37
Transactional	Mean	2.25	2.37	1.85	2.46	2.96	3.09	2.37	2.11	2.70	3.56	2.23	2.27	2.66	3.04	2.41	1.95
	Std Dev	.81	.86	.85	.98	1.27	1.01	.92	1.02	.61	.66	.92	1.08	1.14	.68	1.04	1.17
	N	10	15	10	15	13	11	12	18	10	5	12	19	6	12	20	37
OI	Mean	3.98	4.00	3.86	3.21	3.52	4.07	3.35	3.79	3.85	4.47	4.04	3.52	3.50	4.25	3.67	3.50
	Std Dev	.76	.50	.84	.81	.91	.81	.88	.85	.50	.33	.49	.81	.51	.62	.76	.75
	N	10	15	10	15	12	11	12	18	10	5	13	19	6	12	20	37

ABSTRACT

**THE EFFECT OF EMPOWERMENT ON ORGANIZATIONAL EFFECTIVENESS
MODERATED BY LEADERSHIP STYLE: AN APPLIED ASSESSMENT**

**AN ABSTRACT OF A DISSERTATION
PRESENTED TO THE FACULTY OF THE
CALIFORNIA SCHOOL OF PROFESSIONAL PSYCHOLOGY/
ALLIANT INTERNATIONAL UNIVERSITY
SAN DIEGO**

**In Partial Fulfillment of
The Requirements for the Degree
DOCTOR OF PHILOSOPHY**

**By
Isabel Perez**

2002

THE EFFECT OF EMPOWERMENT ON ORGANIZATIONAL EFFECTIVENESS
MODERATED BY LEADERSHIP STYLE: AN APPLIED ASSESSMENT

AN ABSTRACT OF A DISSERTATION
PRESENTED TO THE FACULTY OF THE
CALIFORNIA SCHOOL OF PROFESSIONAL PSYCHOLOGY/
ALLIANT INTERNATIONAL UNIVERSITY
SAN DIEGO

In Partial Fulfillment of
The Requirements for the Degree
DOCTOR OF PHILOSOPHY

By
Isabel Perez
2002

Approved By:



Dr. Richard C. Sorenson

Date

ABSTRACT

The topic of empowerment has been of interest in both organizations and the popular press. Research has found a positive relationship between empowerment and organizational effectiveness in a variety of settings. Research has also found that organizations and teams led by transformational leaders were significantly more effective than those led by their transactional counterparts. However, few empirical studies have addressed the relationship between empowerment and organizational effectiveness. Organizations adopting practices, such as empowerment, have found it difficult to obtain results linking their efforts with effectiveness. This gap in results may be due to differences in thinking by managers and researchers with respect to level of analysis. A more direct link between empowerment practices and leadership style is needed due to the large number of leadership practices that are identified as empowering. Research indicates that dispositional affect has an influence on various performance-related outcomes, however the role it plays is still an area of needed research. To demonstrate that the relationships investigated actually existed affect was statistically controlled in the study. The purpose of this study was to provide further understanding of how empowerment affects organizational effectiveness and how

the relationship is moderated by leadership style. Two hundred and twenty-five employees of a federal government agency participated in the research.

This study established a positive relationship between empowerment and organizational effectiveness within a federal government setting. The more empowered employees perceived themselves to be the greater the level of perceived effectiveness. The study also investigated how the empowerment and organizational effectiveness relationship would vary as a function of leadership style. While findings confirmed the moderating role of leadership style, the style found to moderate varied depending on the level of analysis performed. This finding emphasizes the need to go beyond an individual unit of analysis when evaluating organizational practices. In addition, the current study provided no support for affect as a mediator of the relationships of empowerment and organizational effectiveness, and leadership style and organizational effectiveness. Organizational effectiveness is not attributed to affect - the way people feel. Lastly, empowerment was found to mediate the relationship between transactional leadership style and organizational effectiveness. Empowerment must be present for a relationship to exist between transactional style and organizational effectiveness. Implications of the findings are discussed.