The Influence of Job Characteristics and Perceived Fairness toward Psychological Empowerment among Employees in PT Perusahaan Listrik Negara, Indonesia

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Abstract: Purpose - This research studied about the influence of job characteristics and perceived fairness toward psychological empowerment by focusing on how employees feel about empowerment from their current role in the workplace. Design/methodology/approach - A total of 100 employees in PT Perusahaan Listrik Negara, Indonesia completed a set of questionnaire measuring job characteristics, perceived fairness, and psychological empowerment. Data were analyzed using Simple and Multiple Regression Analysis from SPSS output. Findings - This research found considerable evidence about the influence of job characteristics and perceived fairness toward psychological empowerment. Furthermore, the result showed that job characteristics become the most significant variable that influences psychological empowerment. Research limitations - There are only two independent variables focused to see their influences toward psychological empowerment, which are job characteristics and perceived fairness. Practical implications - Through exploration of the perceptions, beliefs and feelings of empowerment, the importance of competence and control in the form of decision making and problem solving is identified. Furthermore, the flexibility of the work structure and decision making are distributed to the operational stage in organization are also become part of the empowerment practices. Originality/value - The value of this paper was that it looked at how job characteristics and perceived fairness may influence employee's psychological empowerment.

Keywords: psychological empowerment, job characteristics, perceived fairness, organizational behavior, state-owned enterprises.


Kata kunci: pemberdayaan psikologis, karakteristik pekerjaan, persepsi keadilan, perilaku organisasi, badan usaha milik negara.
1. INTRODUCTION

State-Owned Enterprises (SOEs) had grown to play a central role in the national economy (Sungkar, 2008). According to Hassard, Morris, Sheehan, and Yuxin (2010), the policy of separating government functions from business operations will continue in the drive to prepare State-Owned Enterprises to be competitive in global markets. Widjajanti (2011) found that the increase of State-Owned Enterprises efficiency can be achieved by simplifying the structure of the hierarchy structure to become flexible with a higher level of autonomy. The expansion of State-Owned Enterprises became a major characteristic of developing economies and these companies were seen as the main pillars of development (Sungkar, 2008).

As organizations face new challenges in today’s fast-paced, high-tech, information-based competitive environments, they are forced to move toward more decentralized structure (Houghton & Yoho, 2005). Therefore, organizations should change their job characteristics from traditional structure to participative management and empowerment (Turkyilmaz, Akman, Ozkan, & Pastuszak, 2011). Employee empowerment is a critical importance in competitive work environment nowadays, since it can give the organization a sustained competitive advantage (Dewettinck & Ameijde, 2011). Thus, it is crucial for organizations to determine the existence of empowerment in the employee itself and to which degree the empowerment has been successfully set in the mind of the employee.

In every part of organizations, there are many different people, each with their own unique perception and personality, and also have different capacity and capability in doing something. As these diversities can become useful assets, organization need to fully realize and optimally utilize those potentials in order to produce benefits for both employees and organization. One practice which can be implemented by organizations in extracting those potentials is by giving them more involvement, provide opportunities to be more autonomous, and create a friendly environment which make them feel accepted and have influence in the organization. In structural approach, empowerment is understood as the granting power and decision making authority down the organizational hierarchy and granting employees the ability to significantly affect the organizational outcomes (Ozaralli, 2003), whereas employees offer advantages to organizations wanting to gain competitive advantage through adaptability, rapid response and change innovation (Scott-Ladd & Chan, 2004).

Empowerment means treating employees based on their readiness and capabilities. Hence, by providing a well-built job characteristics and distribute it fairly, it is believed to increase the degree of empowerment perceived by employees. Given the importance of empowerment in employees’ perceptions, it is important to investigate further fairness determinants. It is reasonable to consider that employee of the organization may develop positive attitudes and behaviors when they are treated fairly (Shah, 2011). Therefore, in identifying the perceived equity or fairness in organization, it will reflect to the organizational justice. Moreover, in return for organizational justice, employees tend to behave more ethically in order to adapt to the organization’s expectation. Individual equity considers comparisons of employees doing the same job inside the organization while external equity considers comparisons with those outside of the organization (Till & Karren, 2011). The term equity or fairness is also related to organizational justice which are; distributive, procedural and interactional justice (Wat & Shaffer, 2005). The different type of employees’ perception in facing organizational justice has become a challenge for employers to establish equity in workplace. By establishing the equity in rewarding employee like payment, promotion opportunities, recognition and full appreciation, the organization indirectly has been motivating and satisfying their employees and lead to perceived fairness of empowerment.

2. LITERATURE REVIEW

Definition of empowerment is rooted in management theory of power and authority delegation that gives employees the right to control and use organizational resources to bring about
desired organizational outcomes (Ugboro, 2006). Martin and Bush (2006) found that the concept of empowerment, derived from theories of participative management and employee involvement, promotes ideas that leaders should share decision-making processes and power with subordinates to enhance their performance. Employees who feel a high level of responsibility will look for more efficient ways to execute their tasks (Kuo, Lai, & Lee, 2011). A decrease in job-related stress and an increase in job satisfaction are two of the key anticipated outcomes behind the introduction of empowerment in the workplace (Holdsworth & Cartwright, 2003). Furthermore, employees who are given sufficient authority and responsibility to manage their own task will not feel that they are being dictated by their supervisor, but feel freer to innovate instead (Kuo et al., 2011).

Empowerment is individuals’ belief that they have the skills and knowledge to improve a situation in which they operate (Bogler & Somech, 2004); it is an effective strategy for promoting expertise; it provides an opportunity for employees to apply new skills, which is likely to reinforce the values of personal development (Garg & Rastogi, 2006). In addition, advantages of empowerment can be gained by designing jobs that are meaningful to employees, allowing employees to have an impact on their work through involvement in decision making and providing open, two-way communication (Holdsworth & Cartwright, 2003). Therefore, it can be said that empowerment improves the development of new knowledge as it allows organizational members to develop their own ideas and practices and to adapt to local current circumstances (Grisven & Visser, 2011). To understand empowerment it is a need to begin at an individual level of employees (Greasley, Bryman, Dainty, Price, & Naismith, 2008). The perception of how they were or were not empowered, the process of empowerment and the meanings they associated with the outcomes of empowerment is depending on employees themselves (Greasley et al., 2008).

Employee empowerment has a greater importance, especially in the service sector, where customer satisfaction is closely related to the quality and presentation of the service (Pelit, Ozturk, & Arslanturk, 2011). Excellent customer service requires employees to be empowered to make many service decisions independently (Pelit et al., 2011) since employees represent the key link between the external customer and the organization, since they are the first person the customer interacts with in general and in some cases they may be the only person (Nasurdin & Khuan, 2011). The involvement of employees in decision making can increase their feelings of empowerment by showing that they have an impact on the processes within the organization (Dewettinck & Ameijde, 2011).

When the nature of empowerment is examined, it is observed that empowerment does yield beneficial outcomes (Pelit, et al., 2011). Employee empowerment can be conceived in two ways; as a set of managerial practices aiming at increasing employees’ autonomy and responsibilities (psychological empowerment); and as an individual active work orientation (behavioral empowerment) (Boudrias, Gaudreau, Savoie, & Morin, 2009). Behavioral dimension of empowerment deals with the role of top management in employee empowering (Pelit et al., 2011), while psychological empowerment is the perception by employees that they have the opportunity to help determine work roles, accomplish meaningful work, and influence important decisions (Yukl & Becker, 2006). Spreitzer (1995) has further identified psychological empowerment as a motivational construct which is manifested in four cognitions, namely meaning, competence, self-determination, and impact.

Meaning refers to work value of a work goal or purpose, judged in relation to an individual’s own ideals or standards (Jha, 2011). It concerns the fit between the requirements of the work role and a person’s beliefs, values, and behaviors (Holdsworth & Cartwright, 2003). Competence or self-efficacy refers to an individual’s belief in his or her capacity to perform activities with skills (Jha, 2011). The influence of competence can be explained by the fact that individuals who believe they have the capability to achieve goals and do what is required to achieve them (Wat & Shaffer, 2005). Self-determination refers to an individual’s sense of having a choice in initiating and regulating actions (Jha, 2011); it is the individual’s sense of
choice about activities and work methods (Seibert, Silver, & Randolph, 2004). Impact is the degree to which the individual believes she or he can influence organizational outcomes (Seibert et al., 2004). Perceptions of impact are related to influence toward organizational issues involving individual participation and communication, such as feedback on performance and satisfaction with achievement, organizational process, and personal relationship (Holdsworth & Cartwright, 2003).

Given increasing work redesign issues in responding to external and internal business environments, many organizations have tried to maintain job effectiveness and efficiency by empowering employees (Kuo, Ho, Lin, & Lai, 2010). Furthermore, job characteristics are primarily concerned with how the work itself is accomplished and the range and nature of tasks associated with a particular job (Morgeson & Humphrey, 2006). Good job redesign may enhance the intrinsic quality of employees’ work and help them to cope with organizational changes, thus, increase the likelihood of more active responses (Kuo et al., 2010). Moreover, it is also able to increase the intrinsic job quality, to match employees’ skills with job requirement and to increase a job’s meaningfulness (Ugboro, 2006). Kuo et al. (2010) stated that job characteristic model affect in the constant changing in working environment and self-perceived empowerment on their commitment to the organization. Therefore, ensuring that employees possess these skills and competences, which have a great importance for empowerment, will be among the factors affecting the quality of the services provided (Pelit et al., 2011).

Hackman and Oldham proposed five core job characteristics that should be included in any job including skill variety, task identity, task significance, autonomy, and feedback (as cited by Scott, Swortzel, & Taylor, 2005, p. 91). It is important to distinguish skill variety from task variety because the use of multiple skills is distinct from the performance of multiple tasks (Morgeson & Humphrey, 2006). Task identity defined as the opportunity to identify a whole piece of work (Gagne, Senecal, & Koestner, 1997). Task significance can contribute to perceptions of greater job challenge and, ultimately, job satisfaction (Bontis, Richards, & Serenko, 2011). Autonomy includes three interrelated aspects centered on freedom in work scheduling, decision making, and work methods (Morgeson & Humphrey, 2006). Autonomy support should enhance feelings of responsibility, while feedback from the job should enhance knowledge of results (Gagne et al., 1997). Feedback defined as the information about one’s performance obtained from job activities as well as the information about one’s performance obtained from supervisors and coworkers (Gagne et al., 1997).

The vision of treating employees as long-term assets is likely to have positive implications for perceived fairness (Wat & Shaffer, 2005). Based on individuals’ inputs, such as effort, experience, education, and competence, individual can compare outcomes such as pay, recognition and other factors (Rafikul & Ahmad, 2008). As justice seems to influence so many important factors in organizational behavior and well being, it is crucial to study what people perceive as equal in organizational life (Willi-Peltola, Kivimaki, Elovainio, & Virtanen, 2007). Equity has generally been conceptualized in terms of perceived fairness and operationalized as a three-dimensional construct: distributive, procedural, and interactional justice (Wat & Shaffer, 2005). These three organizational justices need to be considered in order to treat employees equitably and to create a fair working environment, thus lead to satisfy them.

Distributive justice is the degree to which rewards are allocated in an equitable manner (Elanain, 2009). It focused on how employees perceive fairness of pay outcomes and three types of fairness judgments: pay based on merit, equal shares, and a need criterion (Wooten & White, 1999). Distributive justice was found to be significantly and positively related to task performance (Nasurdirn & Khuan, 2011). Procedural justice deals with the fairness of the procedures used to make and implement decisions and policies (Wooten & White, 1999), it has been interpreted to be most appropriate for reflecting the way employees make judgments concerning the fairness of practices at organizational level (Willi-Peltola et al., 2007).
Procedural justice has been shown to have its own unique impact on a wide range of fairness perceptions and organizational outcomes (Wooten & White, 1999). Forret and Love (2008) have studied the importance of interactional justice, that is, the manner in which decisions are conveyed to individuals. Interactional justice focuses on perceptions of how fairly formal agents of the organization treat those who are subject to their authority, decisions, and actions and how subordinates react to those perceptions (Wooten & White, 1999). Thus, this is important to the extent that it becomes evident that numerous components of all three forms of justice need to be present in an intervention to address a sufficient number of core values, assumptions, and ethical beliefs (Wooten & White, 1999). When people evaluate the fairness of procedures, they consider those aspects of procedures that affect the way in which decisions are made and those that determine the type of treatment that they experience as individuals (Blader & Tayler, 2003).

2.1 Linking Job Characteristics and Psychological Empowerment

Psychological empowerment is usually conceptualized as the increased task motivation that results from an individual’s positive orientation to the work role such as job design, and employees’ skills and traits (Yukl & Becker, 2006). According to Furnham, Eracleous, and Chamorro-Premuzic (2009), motivators are intrinsic to the job itself and include aspects such as achievement, development, responsibility and recognition. The correlation between job characteristics and psychological outcomes are generally stronger and more consistent than the correlation between job characteristics and behavioral outcomes (Fried & Ferris, 1987). Jha (2011) found that there is a significant correlation between job characteristics and psychological empowerment. Here, job characteristics can contribute to certain psychological states, and the strength of the employee’s need for growth (Garg & Rastogi, 2006).

In order to encourage employees to devote extra effort to their work, managers should focus more on how to help their subordinates generate feelings of meaningfulness, competence, self-determination, and impact (Huang, Iun, Liu, & Gong, 2010). Also, for the purpose of managing knowledge and motivating employees for high performance, employees need to be psychologically empowered down the hierarchy so as to perform their job on their own (Garg & Rastogi, 2006). Thus, the researcher hypothesized:

H1. There is a significant influence of job characteristics on psychological empowerment.

2.2 Linking Perceived Fairness and Psychological Empowerment

The psychological dimension of empowerment moves away from the traditional study of management practices and instead emphasizes employees’ perceptions and experiences of empowerment (Greasley, Bryman, Dainty, Price, Soetanto, & King, 2005). One of the main aims of organizations is to enjoy empowered employees by whom they can achieve their own long-term and short-term objectives and goals (Bagheri, Matin, & Amighi, 2011). According to Blader and Tayler (2003), people’s concern with procedures to their desire to influence their outcomes, and thus defines procedural fairness as the level of input or participation that procedures allow. Specifically, meaning that if an employee is able to input into the process of setting targets, he or she is more likely to perceive those targets as fair (Farndale, Hope-Hailey, & Kelliher, 2011).

Organizational factor such as rewards was examined by Baird and Wang (2010) for their association with employee empowerment. Quigley and Tymon (2006) stated that individuals are likely to experience their work life as rewarding and motivating. It is maintained that if management wishes to implement employee empowerment within an organization, adequate rewards must be linked to the desired employee behavior (Baird & Wang, 2010). Employees should be treated consistently and feedback given in a timely manner (Forret & Love, 2008). Thus, fairness related to the outcomes such as pay, recognition and involvement, whereas employees could develop their attitudes and behaviors
on the basis of organizational equality and fairness (Shah, 2011).

Managerial subordinates are more likely to experience psychological empowerment; yet non-managerial subordinates may perceive such behavior in terms of respect and fair treatment (Huang et al., 2010). Here, authorities are likely to play a pivotal role in the overall perception of fairness (Blader & Tayler, 2003). Management should link empowerment behavior to rewards, be it financial benefits or promotion opportunities, in order to encourage employee empowerment within their organization (Baird & Wang, 2010). Thus, employers need to understand that pay comparisons play an important part in employees’ evaluations of their pay, they might assume that comparisons will inform about equity in their workplace (Till & Karren, 2011).

Usually, perceptions of injustice occur when a negative outcome arises, once perceptions of injustice occur they may endure for a long time resulting in negative consequences for the organization (DeConinck & Bachmann, 2005). Therefore, employees’ personal responses to the empowerment, control and competence should be examined at an individual level (Greasley et al., 2008). When individuals compare their outcome-input ratio with others’, and the result is inequitable, then the issues of fairness arise.

This comparison builds perception of the employees about the existence of justice in organization. Managers therefore need to be aware that there is clear recognition by employees of what empowerment is and what it is not and once deemed exploitative negative consequences can emerge (Greasley et al., 2008). Hence, fostering perceptions of justice in the workplace would seem to be especially critical for managers and organizations (Forret & Love, 2008). Furthermore, the availability of resources such as money, time, and information may also influence employees’ attitudes and subsequent reactions toward organizational practices (Huang et al., 2010). It is reasonable to consider that employee of the organization may develop positive attitudes and behavior when they are treated fairly (Shah, 2011). Thus, the researcher presented the following hypothesis:

H2. There is a significant influence of perceived fairness on psychological empowerment.

Fried and Ferris (1987) found that organizational decisions to enrich jobs should be contingent upon whether contextual factors, such as the reward system or management policy, support such an intervention. Kamalian, Yaghoubi, and Moloudi (2010) stated that enhancing the level of organizational justice will cause the increasing in empowerment. Thus, if organizations want to achieve empowerment, they should invest as acceptable both justice and fair in their organization (Kamalian et al., 2010). Based on the previous explanations, the researcher also conducted one more hypothesis as follows:

H3. There is a simultaneous significant influence of job characteristics and perceived fairness toward psychological empowerment.

IV: DV:

![Figure I. Theoretical Framework of the Research](image-url)
3. RESEARCH METHODS

3.1 Sample and Data

A total of 632 employees in PLN Lampung Region consist of technical employees and non-technical employees participated as respondents in this research. From the number of population, the researcher interested to take a few sample from population which gathered from three PLN Areas, and two PLN sectors in Lampung Region. The three PLN areas are located under the Lampung Regional Office, however the sample was taken from the three PLN Areas, it is due to the direct contact these offices have with the customers since they play a crucial role in distributing the electricity to customers.

Moreover, under Lampung Generation and Transmission Office; Bandar Lampung Sector and Tarahan Sector were taken as sample in this research due to their direct connection to the three PLN Areas. The number of population with the following details; 191 employees of Tanjung Karang Area, 130 employees of Kota Bumi Area and 191 employees of Metro Area, followed by 70 employees of Bandar Lampung Sector and 50 employees of Tarahan Sector.

Sampling frame was determined based on Sekaran and Bougie (2009), however, due to some constraints such as time consumed or willingness of respondents, thus, sample sized is then determined by referring to the rules of thumb by Roscoe (1975). The samples are chosen through several process, first, the sample are divided into proportions from each selected offices by considering their interaction to customers and interrelated of those offices using proportionate sampling which represents the members in the sample from each group that will be proportioned in the population (Cavana, Delahaye, & Sekaran, 2001). After that, the researcher used simple random sampling technique from each proportion to take the samples. This sampling technique can reduce the existence of bias in distributing the questionnaires as well as in making decisions.

A total of 150 questionnaires were distributed to respondents. After being verified, about 100 returned questionnaires are usable which is about 71.33 percent rate of return. In total, there are 100 employees at PT PLN, Lampung Region who participated in this research. About 67 respondents or 67 percent of the sample are male and the rest 33 respondents or 33 percent are female. There are three main groups of respondents in which 48 percent were less than 30 years. 28 percent of them are between 30-45 years, and 24 percent of them are in the range of 46-60 years. Furthermore, based on level education of respondents, 43 percent have completed Bachelor Degree as their highest educational level followed by 35 percent with High School level, those with Diploma level were 21 percent of total respondents and only about 1 percent of employees hold Postgraduate level.

Data also show that about 80 percent of respondents hold their job position as staff, 15 percent of respondents hold supervisor position, 3 percent hold position as assistant manager and only 2 percent of total respondents as manager.

The smallest number is figured by the range period less than one year of employment with the frequency of six respondents or 6%. Furthermore, the demographic data indicate most of the respondents have experienced at least one work shift in the last two years; it is displayed by 60 percent of them, followed by 20 percent who never experienced any work shift in the last two years, 15 percent of them have experienced two work shift and the rest 5 percent have experienced more than two times of work shift in the last two years.

3.2 Variable Measurement

A four section of questionnaire is used to collect the data. The first section asks about the
demographic data of respondents consisting: gender, age, education level, position, tenure, and current work shift (in the last two years). In the second section, the respondents are requested to indicate the job characteristics dimensions; skill variety, task identity, task significance, autonomy, and feedback, using a five-point Likert scale ranging from 1 to 5 (1= strongly disagree, 5=strongly agree).

An instrument of job characteristics developed by Hackman and Oldham (1976) is adopted here. The third section is provided to measure the three-dimensional construct of perceived fairness; distributive, procedural, and interactional justice where the five-point Likert scale ranging from 1 to 5 (1= strongly disagree, 5=strongly agree) is used to answer the items. Distributive justice was measured using five items Distributive Justice Index (DJI) developed by Price and Mueller (1986).

Moreover, procedural justice was measured using five items that are developed by Folger and Konovsky (1989). Thereafter, for measuring interactional justice, six items have been used and it is adopted from Niehoff and Moorman (1993). Data for psychological empowerment is obtained by an instrument using 13 items from Spreitzer (1995) measuring four dimensions of psychological empowerment dimensions; meaning, competence, self-determination, and impact.

4. FINDINGS

4.1 Linking Job Characteristics and Perceived Fairness to Psychological Empowerment

To ascertain the influence among those variables, simple regression and multiple regression were employed; simple regression was used to examine the influence of job characteristics on psychological empowerment as well as to examine the influence of perceived fairness on psychological empowerment, while the multiple regression was used to examine the simultaneous influence of job characteristics and perceived fairness toward psychological empowerment. Table 1 shows the correlation between the independent variables and the dependent variable:

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>$R$</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Characteristics</td>
<td>Psychological Empowerment</td>
<td>0.666</td>
<td>0.443</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>Psychological Empowerment</td>
<td>0.588</td>
<td>0.346</td>
</tr>
<tr>
<td>Job Characteristics &amp; Perceived Fairness</td>
<td>Psychological Empowerment</td>
<td>0.713</td>
<td>0.509</td>
</tr>
</tbody>
</table>

Table 1 indicates that there is a positive correlation among three variables. The correlation value was 0.666 ($R = 0.666$) between job characteristics and psychological empowerment, it shows that the strength of association between the two variables is strong. Furthermore, the correlation between perceived fairness and psychological empowerment was 0.588 ($R = 0.588$) which is indicated as medium correlation, followed by the positive correlation of job characteristics and perceived fairness simultaneously toward psychological empowerment with $R$ is 0.713 ($R = 0.713$) which is indicated as a strong correlation.

Therefore, based on the correlation coefficient ($R$), it can be seen that the correlation become stronger when job characteristics and perceived fairness simultaneously influenced the psychological empowerment as compared to separately influence the psychological empowerment. Furthermore, referring to Table I above, the value of coefficient of determination or $R$-square is 0.433 ($R^2 = 0.443$); ($R^2 = 0.346$); ($R^2 = 0.509$), respectively. It shows that 44.3% of variance in psychological empowerment is influenced by job characteristics; 34.6% of variance in psychological empowerment has been influenced by perceived
fairness; 50.9% of variance in psychological empowerment is influenced by job characteristics and perceived fairness while the rest 55.7%; 65.4%; 49.1% respectively were influenced by other factors that are not conducted in this research.

Table 2 : Anova Results

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Characteristics</td>
<td>Psychological Empowerment</td>
<td>77.9</td>
<td>0.00</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>Psychological Empowerment</td>
<td>51.8</td>
<td>0.00</td>
</tr>
<tr>
<td>Job Characteristics &amp; Perceived Fairness</td>
<td>Psychological Empowerment</td>
<td>50.2</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Based on the ANOVA results as shown in Table 2, the F value of 77.939 is significant at the 0.000 level. This result provides a support for the first hypothesis (H1) which stated that there is a significant influence of job characteristics on psychological empowerment and the hypothesis is hereby accepted.

The result has been supported by Jha (2011) who stated that there is a significant influence of job characteristics on psychological empowerment. Then, it is strengthened by another researcher who stated that job characteristics enhance an employee’s sense of impact and meaningfulness (task significance), competence (skills variety) and self-determination (autonomy) (Ugboro, 2006); in other words, this statement supports that job characteristics has influence on psychological empowerment. Furthermore, the F statistic also produced (F = 51.804), which is significant at the 0.000 level. The value of the correlation provides support for the second hypothesis (H2) which stated that there is a significant influence of perceived fairness on psychological empowerment.

According to the previous research on psychological empowerment, this result is relevant to the finding of Kamalian et al. (2010) who stated that enhancing the level of organizational justice will cause the increasing in empowerment. Moreover, the value of the correlation provides support for the third hypothesis (H3) which stated that there is a simultaneous significant influence of job characteristics and perceived fairness toward psychological empowerment where the F statistic produced (F = 50.203) is significant at the 0.000 level. It is supported by previous research which stated that employees’ personal responses to the empowerment, control and competence should be examined at an individual level (Greasley et al., 2008); thus, if organizations want to achieve empowerment, they should invest as acceptable both justice and fair in their organization (Kamalian et al., 2010) as well as redesigning jobs that require a variety of skills (Kuo et al., 2010).

Table 3 : Coefficient Results

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Unstandardized Coefficients</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant) Job Characteristics</td>
<td>21.010</td>
<td>5.940</td>
</tr>
<tr>
<td>Job Characteristics</td>
<td>0.501</td>
<td>8.828</td>
</tr>
<tr>
<td>(Constant) Perceived Fairness</td>
<td>28.623</td>
<td>8.722</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>0.391</td>
<td>7.198</td>
</tr>
<tr>
<td>(Constant) Job Characteristics</td>
<td>16.846</td>
<td>4.767</td>
</tr>
<tr>
<td>Job Characteristics</td>
<td>0.369</td>
<td>5.669</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>0.206</td>
<td>3.600</td>
</tr>
</tbody>
</table>

Dependent variable: Psychological Empowerment

From the Table 3, on job characteristics as independent variable, B (constant) = 21.010 which stated that if the job characteristics is omitted, it will cause the value of psychological empowerment is 21.010. Moreover, the coefficient of 0.501 for job characteristics is also given on the table under Unstandardized coefficients. According to Cavana et al. (2001), the general form of a simple regression line is shown by the formula:

\[ Y = a + Bx \]

Therefore, based on the value of B constant and the coefficient of job characteristics, the regression equation is:

\[ Y = 21.010 + 0.501X \]

where: Y is psychological empowerment

X is job characteristics
From the Coefficients table, by looking at the column Beta under Standardize coefficients on perceived fairness as independent variable, $B_{(constant)} = 28.623$ which stated that if the perceived fairness is omitted, it will cause the value of psychological empowerment is 28.623. Moreover, under Unstandardized coefficients, the coefficient of 0.391 for perceived fairness is also given. So, by referring to the general form of a simple regression line, and based on the value of $B_{constant}$ and the coefficient of perceived fairness, the regression equation is:

$$Y = 28.623 + 0.391X$$

where: $Y$ is psychological empowerment  
$X$ is perceived fairness

Looking at the $t$ value on job characteristics and perceived fairness as independent variable, job characteristics have a higher value compared to the perceived fairness which is 5.669 ($5.669 > 3.600$). It means that the job characteristics have a stronger influence on psychological empowerment than the perceived fairness. Thus, this result helps the researcher to answer the fourth research question “What is the most significant variable that influences the psychological empowerment?” whereby the answer stated that job characteristics is the most significant variable that influences the psychological empowerment.

As can be seen on Table III, it is shown that $B_{(constant)} = 16.846$ for job characteristics and perceived fairness as independent variables which stated that if the job characteristics and perceived fairness is omitted, it will cause the value of psychological empowerment is 16.846. Moreover, under Unstandardized coefficients, the coefficient of 0.369 for job characteristics and 0.206 for perceived fairness are also given. Based on the beta coefficient results of multiple regression analysis, the multiple regression equation can be formed as follows:

$$Y = 16.846 + 0.369X_1 + 0.206X_2$$

where: $Y$ is psychological empowerment  
$X_1$ is job characteristics  
$X_2$ is perceived fairness

### 4.2 Comparison of Research Findings

There are several journals that have been used to guide the researcher in constructing the research framework. In this section, the researcher tends to present it again in order to show the comparison between previous researches with the current research that has been done by the researcher. Below, Table 4 is presented:

<table>
<thead>
<tr>
<th>Journal, Author &amp; Year</th>
<th>Variable(s)</th>
<th>Tool(s) of Analysis</th>
<th>Findings</th>
<th>Variable(s) Used</th>
<th>Research Findings</th>
</tr>
</thead>
</table>
Turnover: a. pay satisfaction b. supervisor satisfaction c. organizational commitment d. performance e. withdrawal cognitions | Confirmatory Factor Analytic (CFA) Model | There is a positive relationship between organizational justice and degree of turnover. | Organizational Justice: a. distributive justice b. procedural justice | • There is a significant influence of perceived fairness on psychological empowerment |
| Kuo, T.-H., Ho, L.-A., Lin, C., & Lai, K.-K. (2010). *Industrial Management & Work redesign:* a. skill variety b. task identity c. task significance d. autonomy e. feedback | Structural equation modeling. | Work redesign and empowerment generate positive and direct influence on employees’ commitment. | Work redesign: a. skill variety b. task identity e. task significance d. autonomy e. feedback | • There is a significant influence of job characteristics on psychological empowerment |
### Tabel 4: Continue

<table>
<thead>
<tr>
<th>Journal, Author &amp; Year</th>
<th>Variable(s)</th>
<th>Tool(s) of Analysis</th>
<th>Findings</th>
<th>Variable(s) Used</th>
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<tbody>
<tr>
<td>Influence of psychological empowerment on affective, normative and continuance commitment. A study in the Indian IT industry.</td>
<td>Psychological Empowerment: a. meaning b. competence c. self-determination d. impact Organizational Commitment: a.ffective commitment b. normative commitment c. continuance commitment</td>
<td>Canonical Correlation Simple and Multiple Regression</td>
<td>The psychological empowerment influences affective and normative commitment positively. However, no relationship was found between psychological empowerment and continuance commitment. Psychological Empowerment</td>
<td></td>
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</tr>
</tbody>
</table>

5. CONCLUSION AND RECOMMENDATIONS

5.1 Recommendations

There are some recommendations for the future research which have been identified by researcher. Looking into the future research perspective, the model and the data presented in this research provide some of the foundations to be developed for future research on the effective management stimulation, and resolution of flexibility of organizational structure where the sense of psychological empowerment should be placed correctly in the mind of employees. The organization can understand the strength of an employee by studying how much they feel themselves psychologically empowered (Jha, 2011).

Furthermore, it is recommended to the future researchers to increase the number of population of the State- Owned Enterprises taken in order to have better understanding of the topic and thus, the results of the research can be more generalizable. The greater number of samples is also recommended in order to get more reliable and can robust the conclusion of the research.

Moreover, researcher suggests that future research should involve a personal interview with the sample. It is because interviews will lead to more in-depth information gathered regarding the problem. Hence, it will reduce the bias occurrences. Finally, it is necessary for managers to recognize and ensure that their employees have the required skill in order to be able to perform their task and thus can help to smoothen the empowerment process.
in the organization. Flatter organizational structures have pushed decision making down to lower levels in organizational hierarchies; these new decision-makers must be empowered with self-leadership skills and abilities in order to effectively respond to their increased responsibilities (Carson & King, 2005). Thus, training programs should address the complexities of functioning under a high level of empowerment and provide the information, skills and knowledge that are required for a successful independent performance (Yagil, 2006).

5.2 Conclusion

The aim of this research is to extend the previous literature pertaining to the empowerment practices concerning on psychological outcomes. This research is expectedly to be used as a reference for the managerial participants to assist them on how job characteristics and perceived fairness affect the existence of psychological empowerment in organization. This research has examined the challenges of one of Indonesian State-Owned Enterprises in managing employees. It was managed to reveal several useful insights. From the results, it showed that job characteristics are the most significant variable in influencing the variance in psychological empowerment. Furthermore, psychological empowerment played the most critical role in managing human resources, which has significant implications for Indonesian State-Owned Enterprises.

Fairness is a key issue in many social settings, especially those involving an exchange process (Kim, Moon, Han, & Tikoo, 2004). To the extent that employees perceive about the fairness determinant to be part of the organizational conduct is likely to contribute to employees’ positive emotions and attitudes toward the way the organization establishes job tasks, and toward the tasks themselves in improving the match between the job and the individual.

REFERENCES


