ABSTRACT
Leadership style and employee satisfaction are hot questions of leadership theory research in recent years. Transformational leadership attaches great importance to the effects on employees’ value, need, self-esteem and emotion, cultivating the sense of identification with leader’s value and vision. Satisfaction reflects employees’ attitudes and feelings which come from the gap between real feeling and expectation, after evaluating salaries, work environment, interpersonal relationships and other factors. This research study is aimed at examining psychological empowerment in mediating the relation between transformational leadership and employee satisfaction. With the method of questionnaire, 1252 medical staffs in Telangana were investigated and data analysis tools were SPSS 16.0 and AMOS 17.0. The results indicated that, to some extent, psychological empowerment mediated the relation between transformational leadership and employee satisfaction. Meaning, competence and impact mediated the relation between motivation and employee satisfaction, while only meaning between moral modeling and employee satisfaction.

Keywords: Psychological Empowerment; Leadership Style; Employee Satisfaction; Medical Staff

INTRODUCTION
Many studies have confirmed that there was a positive correlation between transformational leadership and employee satisfaction. However, whether the influence is direct or indirect still needs further research. Many researchers considered that psychological empowerment is an important mechanism through which leadership influences followers. Empowerment is conceptualized as a psychological state that encompasses four cognitions: meaning, self-determination, competence and impact. These cognitions act in concert to foster a proactive, self-confident orientation towards one's work. The outstanding characteristic of transformational leadership behavior on employees is the leader pays more attention to staff's intrinsic motivation changes, in order to improve employee’s confidence levels, arouse their high level needs and make employees realize the significance and the value of their work; that is stimulating employee’s extra effort through psychological empowerment.

LITERATURE REVIEW
An investigation of the literature on predictor variables of psychological empowerment reveals one point that organization environment such as organization atmosphere and organization culture has a major impact on the level of psychological empowerment. As for the leadership styles, Divier et al (2002) reported positive and significant impact of transformational leadership on psychological empowerment in a longitudinal study (Hassanzade, 2010). Moreover, Khammomanadi and Mohseni (2010) concluded in their research that there is a positive and significant relationship between transformational and transactional leadership styles with psychological empowerment. Empowerment is a dynamic process that focuses on linking competencies and employee strength towards being
proactive in a social dynamic and subsequent change. Its practices are manifested through levels of employees’ involvement in decision making, levels of work-related participation, effective communication, continuous employee training and development, favourable organizational culture, well laid incentive systems, trust among employees, clarity of roles and expectations, sufficient information about work and teamwork.

AIM OF THE STUDY

The aim of this paper is to understand the present situation of empowerment in hospitals and explore the mediating role of psychological empowerment on the relationship between dimensions of leadership style and job satisfaction. Further, to reveal that whether and how the psychological empowerment depends on the different behavioral characteristics of leadership style under investigation by taking medical staffs as study objects.

OBJECTIVE OF THE STUDY

This study mainly focuses on to determine employee perception of empowerment practices.

Participants

Participants were 1252 medical staffs from 13 hospitals in Telangana selected through random cluster sampling. There were 402 (32%) leaders (including top and mid level leaders) and 850 (68%) follows.

Instruments

Transformational Leadership Behavior- Leadership was measured using the 26-item Transformational Leadership Questionnaire (TLQ) validated by Chinese scholars Li Wenchao and Shi Kan (2005). They confirmed four theoretically related substantive factors including morale (8 items), vision (8 items), consider (5 items), and charisma (5 items) that formed a core higher order transformational leadership construct. The single significant overall empowerment factor explained 86.44% of the total variance in the items, and demonstrated acceptable internal consistency (Cronbach α=0.93).

Employee Satisfaction- Employee satisfaction was assessed by Minnesota Satisfaction Questionnaire (MSQ) which includes 20 questions. Three significant overall empowerment factor explained 59.23% of the total variance in the items, and Cronbach α was 0.92.

Psychological Empowerment- To measure empowerment, we used a 12-item scale developed by Spreitzer (1995) and revised by Li Wenchao and Shi Kan (2006). The scale has four dimensions including competence (3 items), impact (3 items), meaning (3 items), and self determination (3 items). The single significant overall empowerment factor explained 59.54% of the total variance in the items, and Cronbach α was 0.93.

RESULTS AND DISCUSSION

Transformational Leadership and Psychological Empowerment

The average score of psychological empowerment of medical staffs was 3.57±0.60, implying that employees’ empowerment level in Chinese hospital was at a medium status. The highest score was competence dimension (3.96±0.61), followed by meaning (3.86±0.68), self-determination (3.37±0.83) and impact (3.09±0.95). Tab.1 presents means for each dimension of psychological empowerment of leaders and follows. According to descriptive statistical analysis, manager’s score was significantly higher than the general staff in each dimension, suggesting that managers felt somewhat good about being empowered.

The magnitude of correlations between the two sets of variables (psychological empowerment and transformational leadership) was 0.403. Tab.2 reports the regression analysis predicting transformational leadership and psychological empowerment. It presents that all four dimensions of transformational leadership had a significant effect on psychological empowerment. Model-1 presents
the relationship between transformational leadership and meaning dimension. In this model, morale and vision dimensions were both significantly and positively related to meaning, while the effect of consider and charisma were not significant. In model 2 and 3, the vision, consider and charisma dimensions had a real impact of a different degree on competence, while only the morale and consider had effects on self-determination. Specifically, the effect of consider on competence was negative. Model-4 indicated that all four dimensions were more relevant to impact dimension.

### Statistical difference between different positions

<table>
<thead>
<tr>
<th></th>
<th>Psychological Empowerment</th>
<th>Meaning</th>
<th>Competence</th>
<th>Self-determination</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>3.78</td>
<td>4.05</td>
<td>4.03</td>
<td>3.53</td>
<td>3.56</td>
</tr>
<tr>
<td>Employee</td>
<td>3.47</td>
<td>3.77</td>
<td>3.93</td>
<td>3.31</td>
<td>2.88</td>
</tr>
<tr>
<td>P</td>
<td>0.000</td>
<td>0.000</td>
<td>0.001</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### The Mediating Effects of Psychological Empowerment

In order to measure the relative influence of transformational leadership dimensions on employee satisfaction and to test the mediation affect of empowerment, a series of multiple regression analyses and structure equation model were undertaken.

<table>
<thead>
<tr>
<th>Transformational leadership</th>
<th>Meaning</th>
<th>Competence</th>
<th>Self determination</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morale</td>
<td>0.173**</td>
<td>0.092</td>
<td>0.137*</td>
<td>0.142**</td>
</tr>
<tr>
<td>Vision</td>
<td>0.215***</td>
<td>0.139**</td>
<td>0.079</td>
<td>0.178**</td>
</tr>
<tr>
<td>Consideration</td>
<td>-0.009</td>
<td>-0.138*</td>
<td>0.180**</td>
<td>0.189**</td>
</tr>
<tr>
<td>Charisma</td>
<td>0.010</td>
<td>0.126*</td>
<td>-0.055</td>
<td>-0.134*</td>
</tr>
<tr>
<td>R2</td>
<td>0.133</td>
<td>0.045</td>
<td>0.103</td>
<td>0.129</td>
</tr>
</tbody>
</table>

Table 3 provides three steps regression analyses in order to test whether psychological empowerment mediates the relationship between transformational leadership and employee satisfaction. We used the latent approach of testing the mediating effects. To do this, we took expectation of three variables and processed the data by center method. Then, we began the approach sequentially. It can be seen that employee satisfaction is significantly and positively related to transformational leadership ($\beta = 0.587, p < 0.001$). Second step examines the relationship between empowerment and transformational leadership. It shows that they are also significantly and positively related ($\beta =0.403, p < 0.001$). The last step analyzes the relationship between transformational leadership and employee satisfaction while controlling the proposed mediator. Based on the multiple regression analysis result, we see that the relationship between transformational leadership and employee satisfaction when controlling psychological empowerment decreases from $\beta = 0.587$ to $\beta = 0.425$. However, the relationship is still statistically significant ($p<0.001$). Further, we applied Sobel test to measure the significance of indirect effect of leadership on job satisfaction via empowerment. The result supports the significance of indirect effect ($z = 13.82, p <0.001$). Therefore, the empowerment has partial mediation, which means that transformational leadership has direct effects on satisfaction. Mediator effect / overall effect is $0.275 (0.403*0.401/0.587= 0.275)$.

Structural equation model was conducted using AMOS 17.0 in order to assess how well the suggested model fit the data. Firstly, 60% of samples were randomly selected in order to set up an exploratory structure equation model, and then appropriately amended it according to the fitting degree. The other 40% of the data was used to establish a model for cross-validation. Lastly, the study applied a structural equation model to verify hypotheses for the relationships between transformational leadership, psychological empowerment and employee satisfaction. During the process, the items of four dimensions of transformational leadership have been packed into two parts as observable.
FIGURE 1 shows the path coefficients for the suggested relationships among the variables in the model. Tab. 4 shows that the hypothesized model fit the data quite well. The $\chi^2$ value for the present model was 2.34, indicating that the observed and model-implied correlation matrices were not significantly different. The indices, GFI, IFI, TLI and so on, reached optimal levels (0.90 and >), respectively. Finally, the RMSEA value was 0.042, clearly falling within optimal levels (<0.05). Otherwise, coefficient and the relationship between variables were both significant (P<0.001), indicating that the model adaptability was satisfactory, and in accordance with the study’s theoretical framework.

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>S.E</th>
<th>$\beta$</th>
<th>t</th>
<th>p</th>
<th>R2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>0.437</td>
<td>0.017</td>
<td>0.587</td>
<td>25.63</td>
<td>0.000</td>
<td>0.344</td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.302</td>
<td>0.019</td>
<td>0.405</td>
<td>15.59</td>
<td>0.000</td>
<td>0.163</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.317</td>
<td>0.012</td>
<td>0.425</td>
<td>19.05</td>
<td>0.000</td>
<td>0.344</td>
</tr>
</tbody>
</table>

FIGURE 2 in conclusion, the exploratory structural equation model in figure 1 was a suitable model. Vision dimension of transformational leadership significantly and positively affected empowerment, especially on meaning ($\beta$= 0.23, t=4.65), competence ($\beta$= 0.29, t=8.04) and impact ($\beta$= 0.34, t=8.68); morale dimension only slightly influenced meaning ($\beta$= 0.17, t=1.34). Consider ($\beta$= 0.20, t=3.23) and charisma ($\beta$= 0.24, t=2.00) directly influenced employee satisfaction. Thus, psychological empowerment was a partial mediator between transformational leadership and satisfaction. Meaning ($\beta$= 0.22, t=3.93), competence ($\beta$= 0.18, t=3.64) and impact ($\beta$= 0.20, t=3.23) dimensions were the predictors of employee satisfaction. It should be noted that self determination was not predicted by transformational leadership and it also can’t affect employee satisfaction.

Finally, we also developed a confirmatory model based on the other 40% samples to demonstrate the relationships of hypothesized variables. The results of key indices also indicated an adequate model fit to the data ($\chi^2 = 1.643; \text{NFI}=0.977; \text{AGFI}=0.936; \text{GFI}=0.955; \text{RMSEA}=0.036$).

![Fig-1. Exploratory structural equation model of transformational leadership, psychological empowerment and employee satisfaction](image-url)
Fig-2. Confirmatory structural equation model

Levels Of Psychological Empowerment In Hospitals

Psychological empowerment is defined as consisting of four components: meaning (perceived work value), competence (feeling of self-efficacy), self-determination (sense of control), and impact (ability to influence). The results of this study were similar to those of previous studies that found competence had a highest score among the four dimensions, follow by meaning, self-determination and impact in turn. It shows that, medical staffs usually have confidence in their abilities to attain goals and most of them could realize the value of work with strong self-identity and passion. On the contrary, a low sense of self-determination exists generally in hospital manage environment derived from the lack of participation opportunity for management.

The Mediating Effects of Psychological Empowerment

The study confirmed the relationship of transformational leadership and employee satisfaction in medical staffs, while also examining the correlation between psychological empowerment and employee satisfaction. The results showed that when the leader is good at offering opportunities for his followers, it could stimulate individual's internal potential, create a comfortable environment for learning and working, finally develop the job satisfaction and work efficiency. In addition, high levels of psychological empowerment among employees allow quick response to patient requests, improving service effectiveness and job performance.

CONCLUSION

Empowerment is an important motivational mechanism through which transformational leaders may impact followers satisfaction. Different behaviors of transformational leadership affect on employee satisfaction through different mediating variables of psychological empowerment. Structural equation models in the study shows that, followers sense of meaning, competence and impact is positively associated with leader’s vision, a sense of responsibility and encouraging innovations. Building up a common vision could effectively motivate subordinates to think independently, improve their expectation with hope for the future. Second, leader’s moral qualities, as an influential factor, will influence employee satisfaction by way of showing the significance of work. An employee, who feels great mind and character from the supervisor, is more involved and willing to go extra mile. We also found that leader’s consideration and charisma exert a direct effect on satisfaction. A heightened sense of caring and charms from leaders helps release employees suppression of individual judgments and compromise of role fulfillment, thereby alleviating their stress in a circumstance and as a result, their satisfaction is markedly elevated.
REFERENCES


