

PSYCHOLOGICAL EMPOWERMENT, JOB INSECURITY AND EMPLOYEE ENGAGEMENT

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ABSTRACT

Orientation: The psychological empowerment of employees might affect their engagement. However, psychological empowerment and employee engagement might also be influenced by job insecurity.

Research purposes: The objective of this study was to examine the relationship between psychological empowerment, job insecurity and employee engagement.

Motivation for the study: Employee engagement results in positive individual and organisational outcomes and research information about the antecedents will provide valuable information for the purposes of diagnosis and intervention.

Research design, approach and method: A correlational design was used. Survey design was conducted among 442 employees in a government and a manufacturing organisation. The measuring instruments included the Psychological Empowerment Questionnaire, the Job Insecurity Inventory, and the Utrecht Work Engagement Scale.

Main findings: Statistically significant relationships were found between psychological empowerment, job insecurity and employee engagement. A multivariate analysis of variance showed that affective job insecurity had a main effect on three dimensions of psychological empowerment (viz. competence, meaning and impact) and on employee engagement. Affective job insecurity moderated the effect of psychological empowerment on employee engagement.

Practical implications: The implication of the results is that interventions that focus on the psychological empowerment of employees (viz. meaningfulness, competence, self-determination and impact) will contribute to the engagement (vigour, dedication and absorption) of employees. If job insecurity is high, it is crucial to attend to the psychological empowerment of employees.

Contribution: This study contributes to knowledge about the conditions that precede employee engagement, and shows that the dimensions of psychological empowerment (namely experienced meaningfulness, competence, impact and self-determination) play an important role in this regard.

INTRODUCTION

Tremendous pressure is put on organisations to improve their performance and increase their competitiveness in the continuously changing world of work (Ndlovu & Parumasur, 2005). The changing world of work is characterised by life-long learning, risk taking, speed and change, networking and measuring outputs (Wentzel & Geldenhuys, 2005). Employee engagement (May, Gilson & Harter, 2004) and psychological empowerment (Spreitzer, 1995) are important concepts to consider when dealing with changes at work and improving performance. Psychological empowerment increases employees' sense of personal control and motivates them to engage in work, which in turn results in positive managerial and organisational outcomes (Quinn & Spreitzer, 1997).

Conger and Kanungo (1988) describe empowerment as a process whereby conditions that foster powerlessness are identified and removed by providing efficacy information, thereby enhancing an employee's self-efficacy. According to Spreitzer (1995), psychological empowerment refers to an individual's experience of intrinsic motivation that is based on cognitions about himself or herself in relation to his or her work role. These cognitions are related to the psychological states identified by Hackman and Oldham (1980) and Kahn (1990) that impact on the intrinsic motivation of employees. Greco, Laschinger and Wong (2006) state that it is reasonable to expect that, if employees experience an empowering workplace that fosters a fit between their expectations and their working conditions, they would be more engaged in their work. Engaged employees have a sense of energetic and effective connection with their work activities and see themselves as able to deal completely with the demands of their jobs (Schaufeli, Salanova, Gonz ales-Rom a & Bakker, 2002).

As organisations focus on competition and profit margins, workers are confronted with threats of real or anticipated job loss, causing many to feel insecure about their jobs and their future work life (Holm & Hovland, 1999). The research of Sparks, Faragher and Cooper (2001) suggests that perceptions of job insecurity correlate negatively with employee well-being. Since job insecurity is experienced as a threat and implies uncertainty, it has been described as a stressor, which is often associated with powerlessness (De Witte, 1999; De Cuyper & De Witte, 2005; N aswall, Sverke & Hellgren, 2005). Employee perceptions of job insecurity may cause organisations to suffer financially due to the associated costs of absenteeism and lowered employee well-being (Sparks *et al.*, 2001). Other organisational concerns caused by perceived job insecurity include the increased turnover of employees, a decrease in worker productivity, and lower levels of commitment, employee engagement, satisfaction, loyalty, and trust in employers (De Cuyper, Bernhard-Oettel, Bertson, De Witte & Alarco, 2008; Greenhalgh & Rosenblatt, 1984; Holm & Hovland, 1999; Smithson & Lewis, 2000).

According to Kahn (1990, p. 700), employee engagement entails 'the simultaneous employment and expression of a person's preferred self in task behaviours that promote connections to work and others, personal presence (physical, cognitive, and emotional), and active full role performances'. Specific psychological conditions contribute to engagement (Kahn, 1990). Kahn (1990) distinguished three such psychological conditions – namely, psychological meaningfulness, psychological safety and psychological availability. Two studies have been found that reported on the relationship between psychological conditions and employee engagement – namely, the study by May *et al.* (2004) and that by Olivier and Rothmann (2007). The study by May *et al.* (2004) confirmed that psychological meaningfulness, psychological safety and psychological availability predict employee engagement. In a South African study, Olivier and Rothmann (2007) confirmed that two psychological conditions – namely, psychological meaningfulness and psychological availability – predict employee engagement.

Empowerment exists because of the personal convictions that employees have about their roles in the organisation (Knol & Van Linge, 2009). From a psychological empowerment perspective, Spreitzer (1995) refers to four personal psychological determinants that might affect organisational behaviour – namely, meaning, competence, self-determination and impact. These four determinants can also be regarded as psychological conditions that lead to employee engagement. The experience of being empowered has been proposed to be a mediator between empowering managerial practices and the outcomes expected from empowered workers, such as engagement, organisational commitment and job performance (Spreitzer, 1995; Stander & Rothmann, 2008). However, no studies have been found that focus on the relationship between psychological empowerment and employee engagement. Furthermore, although research findings show that job insecurity leads to low work engagement (De Cuyper *et al.*, 2008), little is known regarding the relationship between job insecurity and psychological empowerment.

The above discussion suggests that a need exists to investigate the relationship between psychological empowerment and employee engagement in South African organisations. Furthermore, it is necessary to assess whether job insecurity affects psychological empowerment and employee engagement. The objective of this study was to investigate the relationship between psychological empowerment, job insecurity, and employee engagement.

Psychological empowerment and employee engagement

According to Spreitzer (1995), psychological empowerment exists when employees perceive that they exercise some control over their work lives. Psychological empowerment is not a fixed personality attribute. It consists of cognitions that are shaped by the work environment. Various schools of thought regarding psychological empowerment have evolved over time, including in the work of Conger and Kanungo (1988), Thomas and Velthouse (1990) and Spreitzer (1995).

According to Conger and Kanungo (1988, p. 474), empowerment refers to a

'process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information'.

(Conger *et al.*, 1988)

Thomas and Velthouse (1990) extended Conger and Kanungo's (1988) model and identified four dimensions of task cognitions that affect intrinsic task motivation – namely, choice (i.e. the degree to which individuals perceive that they have choice in initiating and regulating actions, [also called self-determination]), meaningfulness (i.e. the perceived value of

the task or goal), competence (i.e. self-efficacy) and impact (i.e. the degree to which behaviour accomplishes the purpose of the task).

Using the four cognitions of Thomas and Velthouse's (1990) model, Spreitzer (1995) developed and empirically validated a multidimensional measure of psychological empowerment in the workplace. Spreitzer (1995) defines empowerment as intrinsic motivation manifested in four cognitions reflecting an individual's orientation to his or her work role. The four cognitions are meaning, competence, self-determination and impact. *Meaning* refers to a sense of purpose or personal connection to work (Mishra & Spreitzer, 1998). Empowered people feel that their work is important to them and they care about what they are doing (Quinn & Spreitzer, 1997). *Competence* reflects individuals' beliefs that they have the necessary skills and abilities to perform their work well (Mishra & Spreitzer, 1998). *Self-determination* refers to a sense of freedom about how individuals do their work (Mishra & Spreitzer, 1998). *Impact* describes a belief that individuals can influence the system in which they are embedded (Mishra & Spreitzer, 1998). Quinn and Spreitzer (1997) state that impact is the accomplishment one feels in achieving goals. Employees fear and tend to avoid situations that they believe exceed their skills, whereas they get involved in activities and behave confidently when they judge themselves capable of handling situations that would otherwise be intimidating (Mishra & Spreitzer, 1998). The four dimensions of empowerment could help people to feel more in control (Spreitzer, 1995).

Macey and Schneider (2008) distinguish between three broad conceptualisations of employee engagement – namely, state, trait and behavioural engagement. State engagement, which is relevant for the purposes of this study, can be seen as an extension of the self to a role (Kahn, 1990). According to Kahn (1990, p. 694), engagement refers to 'the harnessing of organization members' selves to their work roles'. Employee engagement consists of three dimensions – namely, vigour, dedication and absorption (Schaufeli *et al.*, 2002). Vigour is characterised by high energy levels and mental resilience when working, the willingness to invest effort in one's work, not easily becoming fatigued, and persistence even in the face of difficulties. Dedication refers to strong involvement in one's work, characterised by enthusiasm and pride in one's job, and feeling inspired and challenged by it. Absorption is characterised by concentrating fully on one's work. It refers to a pleasant state in which one is totally immersed in one's work, forgetting about everything else.

Kahn (1990) and May *et al.* (2004) note that, in order for the human spirit to thrive at work, individuals must be able to engage themselves cognitively, emotionally and physically. The three dimensions of employee engagement that were distinguished by Schaufeli *et al.* (2002) overlap conceptually with the three dimensions of engagement according to Kahn (1990), namely a physical dimension (vigour), a cognitive dimension (absorption), and an emotional dimension (dedication).

Spreitzer (1995) found that satisfaction, managerial effectiveness, innovative behaviour, and decreased stress were moderately related to empowerment. Given that empowered employees believe in themselves and the work that they do, they are more engaged. Studies by May *et al.* (2004) and Olivier and Rothmann (2007) found that three psychological conditions contribute to individuals engaging in their work roles – namely, psychological meaningfulness, psychological safety and psychological availability. The current study focuses on the four dimensions of psychological empowerment (meaning, competence, self-determination and impact) as possible conditions that will contribute to individuals' engaging themselves in their work roles. Based on the definitions of the four dimensions by Mishra and Spreitzer (1998), employees could ask themselves four questions when engaging in role behaviour:

- How meaningful is it for me to adopt this behaviour?
- How competent am I to do so?
- How autonomous am I to do so?
- How strong is my impact when I bring myself into this behaviour?

Meaningfulness

Applied to the work context, meaningfulness is defined as ‘the value of a work goal or purpose, judged in relation to an individual’s own id’ (May *et al.*, 2004, p. 14). Meaningfulness results from the feeling that job tasks are valuable and make a difference. People are self-expressive and creative and therefore they will seek out work roles that allow them to behave in ways that express their self-concepts. Work roles and activities that are aligned with individuals’ self-concepts should be associated with more meaningful work experiences. Empowered employees derive a greater sense of meaning from their work (Avolio, Zhu, Koh & Bhatia, 2004). The restoration of meaning in work is seen as a method to foster an employee’s motivation and attachment to work, thus resulting in engagement (May *et al.*, 2004; Nelson & Simmons, 2003; Olivier & Rothmann, 2007).

Competence

According to Ryan and Deci (2001), research has shown that feeling competent and confident with respect to valued goals is associated with enhanced intrinsic motivation and well-being. Engaged employees see themselves as able to deal completely with the demands of their jobs (self-efficacy) (Llorens, Salanova, Bakker & Schaufeli, 2007). Maslach, Schaufeli and Leiter (2001) found a strong correlation between self-efficacy and engagement.

Self-determination

Self-endorsed goals will enhance employee engagement, while heteronomous goals, even when introduced efficaciously, will not (Ryan & Deci, 2001). Goals that are selected through self-determination are well-internalised and autonomous (Ryan, Huta & Deci, 2008). According to Ryan *et al.* (2008), one cannot be following one’s true self and not be autonomous.

Impact

Impact implies organisational involvement and reflects whether individuals feel that they are making a difference in their organisation (Spreitzer *et al.*, 1997). Impact implies a sense of progression towards a goal and individuals’ belief that their actions are making a difference in their organisations, which contributes to employee engagement.

The following hypothesis is formulated based on the above-mentioned discussion:

Hypothesis 1: Psychological empowerment (meaning, competence, self-determination and impact) predicts employee engagement.

Job insecurity

Job insecurity relates to people in their work context who fear that they may lose their jobs and become unemployed (De Witte, 1997, 1999). Probst (2002) defines job security as the perceived stability and continuance of one’s job. According to the definition proposed by Greenhalgh and Rosenblatt (1984, p. 438), job insecurity refers to ‘powerlessness to maintain desired continuity in a threatened job situation’.

Job insecurity is usually conceptualised as either a global or a multidimensional concept (De Witte, 1999). According to the global point of view, job insecurity is defined as the threat of job loss or job uncertainty (De Witte, 1999; Mauno & Kinnunen, 2002). According to De Witte (2000), job insecurity consists of two dimensions, namely a cognitive and an affective dimension. Cognitive job insecurity relates to perceptions of possible job

loss, whereas affective job insecurity relates to the fear of job loss. Job insecurity is one of the most distressful aspects of the work situation (De Witte, 1999). It is related to mental health complaints, lower levels of job satisfaction, lower levels of job involvement, decreased trust and engagement and increased intention to leave (De Cuyper & De Witte, 2005; Näswall *et al.*, 2005). Greenhalgh and Rosenblatt (1984) emphasise that the sense of powerlessness experienced by employees intensifies the experienced threat of job insecurity.

Researchers agree that perceived powerlessness (lack of psychological empowerment) is undoubtedly an important variable in the study of job insecurity (Greenhalgh & Rosenblatt, 1984; Probst, 2003). According to De Cuyper and De Witte (2005), job insecurity induces strain for the worker involved. In response to this, Greasley, Bryman, Price, Soetanto and King (2005) found that workers who consider themselves empowered have reduced levels of emotional strain. This finding is supported by Cho, Laschinger and Wong (2006), who reported that empowerment had a direct positive effect on the areas of work life, which in turn negatively affected emotional exhaustion. Disempowered individuals have to put in specific efforts, energy and time to adapt to the pressures of job insecurity. It is clear that this energy cannot then be used for working towards achieving organisational goals (De Cuyper & De Witte, 2005).

De Cuyper *et al.* (2008) found job insecurity to be a statistically significant factor that was negatively related to employee engagement ($r = -0.18$). The researchers also suggested that job insecurity might lead to feelings of uncontrollability and unpredictability. Therefore, employees’ psychological empowerment is influenced by how secure they feel about their work roles. Individuals will feel empowered when they feel secure about themselves. Insecurity might distract employees from feeling empowered. This might result in lower employee engagement.

The following hypothesis is formulated based on the above-mentioned discussion:

Hypothesis 2: Job insecurity affects the psychological empowerment (meaning, competence, self-determination and impact) and engagement of employees.

TABLE 1
Characteristics of the participants

Item	Category	Frequency	%
Age	35 years and younger	196	44
	36–45 years	121	27
	46 years and older	95	22
	Missing	30	7
Gender	Male	272	62
	Female	162	37
	Missing	8	1
Race	Black	227	52
	White	160	36
	Others	35	8
	Missing	20	4
Qualification	Up to grade 12	311	70
	Diploma and degree	100	23
	Postgraduate qualification	30	7
	Missing	1	-
Years of service	Less than 5 years	138	31
	6–10 years	96	22
	More than 10 years	199	45
	Missing	9	2
Industry	Manufacturing	164	37
	Government	278	63

RESEARCH DESIGN

Research approach

A survey design was used (Huysamen, 2001). This design is suitable to study the relationships between different variables. Questionnaires were used to gather primary data in a non-random field survey.

Research method

Participants

A convenience sample consisting of employees from a government and a manufacturing organisation was used in this study. The population included workers from all levels, ranging from semi-skilled to professionals. The lowest-level employees had a literacy level adequate to allow for the valid completion of the questionnaires. The biographical characteristics of the study population are detailed in Table 1.

Table 1 indicates that 52% of the study population was black. Sixty-two percent of the participants in this study were men. The largest group of participants in terms of age (44%) fell in the '35 years and younger' group and 70% had grade 12 as their highest level of education. Slightly more than half of the study population (i.e. 53%) had been employed by the organisation for less than ten years.

Measuring instruments

Three standardised questionnaires were used in the empirical study – namely, the Psychological Empowerment Questionnaire (Spreitzer, 1995), the Job Insecurity Inventory (De Witte, 2000) and the Utrecht Work Engagement Scale (Schaufeli *et al.*, 2002). Biographical information was also gathered regarding the participants' race, gender, age, qualifications and tenure.

The Psychological Empowerment Questionnaire (PEQ) (Spreitzer, 1995) was used in this study. The scale contains three items for each of the four sub-dimensions of psychological empowerment (for example, meaning: 'The work I do is meaningful to me'; competence: 'I have mastered the skills necessary for my job'; self-determination: 'I have significant autonomy in determining how to do my job'; and impact: 'I have a great deal of control over what happens in my department'). The respondents indicated the extent to which they agreed with each statement on a seven-point scale, ranging from 1 (strongly disagree) to 7 (strongly agree). A higher score means a higher degree of psychological empowerment. Using structural equation modelling, Stander and Rothmann (2009) have confirmed the construct validity of the PEQ. They found that a four-factor structure (including meaning, competence, self-determination, and impact) fitted the data best. Cronbach's alpha coefficients of the PEQ varied from 0.81 (competence) to 0.89 (meaning).

The Job Insecurity Inventory (JII) (De Witte, 2000) was developed primarily to measure employees' feelings about job insecurity. It consists of 11 items that summarise both the cognitive and affective dimensions of job insecurity and are arranged along a five-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). An example of a statement relating to cognitive job insecurity would be, 'I think that I will be able to continue working here', whereas an example of a statement relating to affective job insecurity would be, 'I am worried about keeping my job'. De Witte (2000) reported that the items of the questionnaire measuring total insecurity displayed a Cronbach's alpha coefficient of 0.92, with both scales having high reliability. The six items measuring cognitive job insecurity displayed a Cronbach's alpha coefficient of 0.90 and the five items of affective job insecurity had a Cronbach's alpha coefficient of 0.85 (De Witte, 2000). A simple principle components analysis was conducted on the 11 items of the JII of the total sample of employees. An analysis of eigenvalues

(larger than one) and scree plot indicated that two factors could be extracted, explaining 51% of the variance. Two items were problematic. Items 10 and 11 both loaded on the affective subscales instead of the cognitive scale. These two items were removed from the analyses.

The Utrecht Work Engagement Scale (UWES) (Schaufeli *et al.*, 2002) was used to measure employee engagement. The UWES makes use of a seven-point frequency scale ranging from 0 (never) to 6 (always). The UWES has three scales, namely vigour (six items), dedication (five items), and absorption (six items). Examples of items relating to the three dimensions are the following: 'I am bursting with energy in my job' (vigour); 'I find my work full of meaning and purpose' (dedication); and 'When I am working, I forget everything around me' (absorption). A simple principal component analysis was conducted on the 17 items of the UWES of the total sample of employees. The analysis of eigenvalues (larger than one) and scree plot indicated that only one factor could be extracted, explaining 52% of the total variance. This result supports the finding of Storm and Rothmann (2003) that a one-factor model fitted the data best in a sample of police members in South Africa.

Research procedure

The management of the organisations were approached to obtain permission to conduct the study among employees. The participants gave informed consent to indicate their willingness to participate in the study by signing a return slip. All ethical guidelines applicable to the treatment of human subjects in research were observed in all the steps of the study. Fieldworkers administered the questionnaires on the participants in the different organisations. The questionnaires were collected directly after they had been completed by the participants. The participants completed the questionnaires anonymously. The fieldworkers explained to the participants that the questionnaires would be treated confidentially.

Statistical analysis

The analysis was carried out with the SPSS 15.0 program (SPSS, 2006) and the Amos program (Arbuckle, 2006). Descriptive statistics (e.g. means and standard deviations), alpha coefficients, correlations and multivariate analysis of variance (MANOVA) were used to analyse the data. Cronbach's alpha coefficients (α) were used to assess the internal consistency of the measuring instruments (Clark & Watson, 1995). Pearson product-moment correlation coefficients were used to specify the relationships between variables. The level of statistical significance was set at $p < 0.01$. A cut-off point of 0.30 (medium effect, Cohen, 1988; Steyn, 2002) was set for the practical significance of the correlation coefficients.

Structural equation modelling, as implemented in AMOS (Arbuckle, 2006), was used to test structural models by using maximum likelihood analyses. The following indexes produced by AMOS were used in this study: the chi-square statistic, which is the test of absolute fit of the model, the Goodness-of-Fit Index (GFI), the Adjusted Goodness-of-Fit Index (AGFI), the Normed Fit Index (NFI), the Comparative Fit Index (CFI), the Tucker-Lewis Index (TLI) and the Root Mean Square Error of Approximation (RMSEA). The invariance of the structural models of the PEQ was tested using the likelihood ratio test (LRT; Vandenberg & Lance, 2000). The LRT assesses the difference in chi-square (i.e. $\Delta\chi^2$) per degree of freedom between the initially developed model and a more restricted model, including equality constraints. Using the LRT, a non-significant $\Delta\chi^2$ indicates that the parameters constrained to equality are not significantly different across groups.

The significance of differences in psychological empowerment and employee engagement scores between low and high job insecurity groups was established by means of MANOVA. Structural equation modelling (SEM) methods were used as implemented by AMOS (Arbuckle, 2006). In the first

TABLE 2
Descriptive statistics, alpha coefficients and Pearson correlations of the measuring instruments

Scale	Mean	SD	α	1	2	3	4	5	6
1. Competence	16.75	3.96	0.74	-	-	-	-	-	-
2. Meaning	16.10	4.06	0.83	0.76 ^{††}	-	-	-	-	-
3. Impact	13.35	4.45	0.77	0.34 ^{††}	0.41 ^{††}	-	-	-	-
4. Self-determination	14.77	4.14	0.76	0.51 ^{††}	0.55 ^{††}	0.55 [†]	-	-	-
5. Cognitive job insecurity	9.44	3.14	0.73	-0.08	-0.14 [*]	-0.11 [*]	-0.13 [*]	-	-
6. Affective job insecurity	19.01	6.13	0.83	-0.09	-0.10 [*]	-0.19 [*]	-0.06	-0.07	-
7. Employee engagement	69.68	22.42	0.94	0.33 [†]	0.48 [†]	0.30 [†]	0.27 [*]	-0.07	-0.24 [*]

* Statistically significant $p < 0.01$; † Correlation is practically significant $r > 0.30$ (medium effect); †† Correlation is practically significant $r > 0.50$ (large effect)

TABLE 3
Manova of psychological empowerment and employee engagement as dependent variables, and cognitive and affective job insecurity as independent variables

Variable	Value	F	df	Error df	p	Partial eta squared
Cognitive job insecurity	0.99	0.89	5	448	0.45	-
Affective job insecurity	0.94	5.61	5	448	0.00	0.06

* Statistically significant difference: $p < 0.01$

step, a multi-group structural model was constructed that distinguished between individuals scoring high and low on both cognitive and affective job insecurity. In the second step, the structural paths between psychological empowerment and employee engagement were constrained equally across groups. The χ^2 statistic and degrees of freedom provide the basis for comparison with the initial multi-group model, in which no equality constraints were imposed.

RESULTS

Descriptive statistics, alpha coefficients, and correlations

Descriptive statistics, Cronbach’s alpha coefficients and Pearson correlations of the PEQ, JII and UWES for employees working in the selected organisations are reported in Table 2.

The information reflected in Table 2 indicates that acceptable Cronbach’s alpha coefficients were obtained on all the scales (Bless & Higson-Smith, 1995). It can be concluded that the results obtained from the measuring instruments are reliable.

Table 2 shows that cognitive job insecurity correlates statistically negatively with meaning, self-determination and impact. Affective job insecurity correlates statistically negatively with impact. Affective job insecurity correlates statistically negatively with employee engagement. The sub-scales of psychological empowerment were statistically significantly related to employee engagement. Meaning showed the highest correlation with employee engagement ($r = 0.48$; practically significant, medium effect). Competence and impact were also practically significantly related to employee engagement (both medium effects). No practically significant correlation was obtained between any of the job insecurity sub-scales and employee engagement.

Main and interaction effects

Next, the main and interaction effects of cognitive and affective job insecurity on psychological empowerment and employee engagement were tested. In order to prepare the data for the analyses of main and interaction effects, the cognitive and affective job insecurity groups were both divided into two groups, consisting of scores lower than the 50th percentile and scores higher than the 50th percentile.

As indicated by Table 3, there was a significant effect of affective job insecurity on the combined dependent variables psychological empowerment and employee engagement ($F_{(5,448)} = 5.61, p < 0.01$; Wilk’s Lambda = 0.94; partial $\eta^2 = 0.06$). This

effect was small (6% of the variance explained). An analysis of each individual dependent variable (not reported in Table 3) showed that the groups differed in terms of the level of competence ($F_{(1,452)} = 7.47, p < 0.01$, partial $\eta^2 = 0.02$), meaning ($F_{(1,454)} = 10.14, p < 0.01$, partial $\eta^2 = 0.02$), impact ($F_{(1,454)} = 5.34, p < 0.01$, partial $\eta^2 = 0.01$), and employee engagement ($F_{(1,454)} = 25.95, p < 0.01$, partial $\eta^2 = 0.05$). Individuals who scored high on affective job insecurity (compared to those with low scores) experienced significantly less competence, meaning, impact, and employee engagement. Therefore, a small main effect of affective job insecurity on three dimensions of psychological empowerment and employee engagement was confirmed.

Next, the hypothesised structural model (unconstrained) for low and high negative affectivity groups was tested using structural equation modelling as implemented by AMOS (Arbuckle, 2006). According to Byrne (2001), the primary focus of the estimation process in SEM is to yield parameter values such that the residual between the sample covariance matrix and population covariance matrix implied by the model is minimal.

One of the two dimensions (namely psychological empowerment) was covered by at least two scales. For this dimension, a latent variable was specified on which the corresponding scales loaded, separating random measurement error from true score variance. For employee engagement there was only one indicator, meaning that in these cases there was a one-to-one correspondence between the manifested variables (scales) and the underlying latent dimensions. Usually no distinction is made in these cases between random error variance and true score variance, so that the correlations among these one-indicator latent variables and other latent variables may be biased (Little, Cunningham, Shahar & Widaman, 2002). This problem was overcome by means of a procedure proposed by Bagozzi and Heatherton (1994). First, a one-factor model was fitted for all items belonging to the scale. Second, separate indicators for the scale were formed by selecting items on the basis of their loadings, alternating items with high and low loadings. Thus, two parcels of items were created for employee engagement.

Figure 1 shows the structural model for the low and high job insecurity groups.

Upon inspecting the path coefficients from the observed variables to psychological empowerment, it is evident that individuals categorised as falling within the high and low affective job insecurity group experienced psychological empowerment differently. Table 4 shows that the standardised regression coefficients of meaning, competence, impact and self-determination were different for the high and low affective job insecurity groups. Therefore, it is possible that the structure

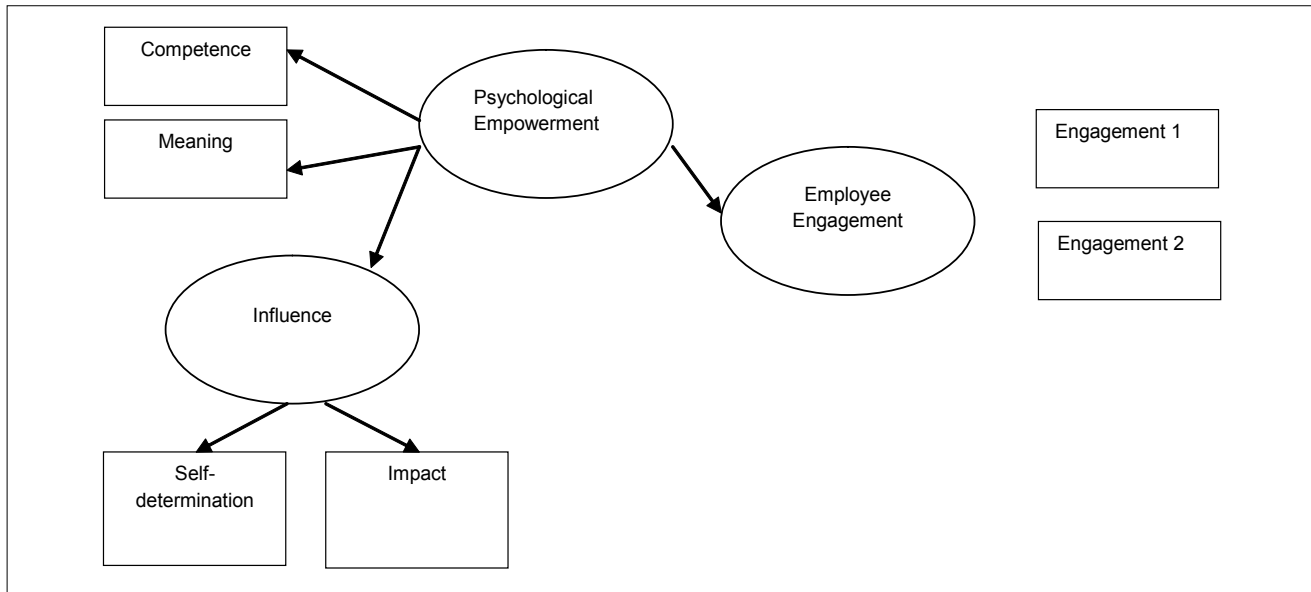


FIGURE 1
Structural model of employee engagement

TABLE 4
Standardised regression coefficients for low and high affective job insecurity groups

Low Affective Job Insecurity		High Affective Job Insecurity	
Scale	β	Scale	β
Influence-Psychological empowerment	0.85	Influence-Psychological empowerment	0.55
Engagement-Psychological empowerment	0.31	Engagement-Psychological empowerment	0.65
Competence-Psychological empowerment	0.90	Competence-Psychological empowerment	0.72
Impact-Influence	0.66	Impact-Influence	0.59
Self-determination-Influence	0.81	Self-determination-Influence	0.94
Meaning-Psychological empowerment	0.90	Meaning-Psychological empowerment	0.98
Engagement 1-Employee engagement	0.99	Engagement 1-Employee engagement	0.91
Engagement 2-Employee engagement	0.90	Engagement 2-Employee engagement	0.89

TABLE 5
Goodness-of-fit statistics for the unconstrained model

Model	χ^2	df	χ^2/df	GFI	AGFI	NFI	TLI	CFI	RMSEA
Affective job insecurity	30.65	14	2.19	0.98	0.93	0.98	0.98	0.99	0.05

of psychological empowerment differs for groups measuring low and high on affective job insecurity.

In the unconstrained model (see Figure 1), psychological empowerment predicted 9.6% of the variance in employee engagement in the low affective job insecurity group. In the high affective job insecurity group, psychological empowerment predicted 42.4% of the variance in employee engagement ($\chi^2 = 203.97, df = 16, p < 0.01$). The fit statistics for the unconstrained model are shown in Table 5.

Table 4 shows that the standardised regression coefficients of psychological empowerment on employee engagement were different in the low and high affective job insecurity groups. In the unconstrained model, psychological empowerment predicted 40% of the variance in employee engagement in the high affective job insecurity group. In the low affective job insecurity group, psychological empowerment predicted 9.6% of the variance in employee engagement ($\chi^2 = 30.65, df = 14, p < 0.01$). Hypothesis 1 is accepted. It seems that psychological empowerment predicts employee engagement.

To test for possible interaction effects between affective job insecurity and psychological empowerment, the path from psychological empowerment to employee engagement was constrained equally for the low and high affective job

insecurity groups. The constrained model was statistically significantly different from the unconstrained model ($\Delta\chi^2 = 14.79; \Delta df = 1; p < 0.01$). This result suggests that affective job insecurity interacted with psychological empowerment in affecting employee engagement. Hypothesis 2 is therefore accepted.

DISCUSSION

The objective of this study was to examine the relationship between psychological empowerment, job insecurity and employee engagement. Psychological empowerment (consisting of competence, meaning, impact and self-determination) predicted employee engagement in a statistically significant way. The results showed that affective job insecurity had a main effect on three dimensions of psychological empowerment (viz. competence, meaning and impact) and employee engagement. Psychological empowerment interacted with affective job insecurity to affect employee engagement.

The Pearson correlations showed that three dimensions of psychological empowerment – namely, meaning, competence and impact, were practically significantly related to employee engagement, while self-determination was statistically significantly related to employee engagement. Therefore, individuals who experience a sense of purpose in their work,

who believe they have the skills and abilities to do their work, who believe that they can influence the system in which they are embedded, and who have self-endorsed goals (Mishra & Spreitzer, 1998; Quinn & Spreitzer, 1997) are more engaged in their work.

The correlations between the dimensions of psychological empowerment and job insecurity were not practically significant. Furthermore, none of the dimensions of job insecurity were practically significantly related to employee engagement. Affective job insecurity predicted 5.76% of the variance in employee engagement. Multivariate analysis of variance showed that affective job insecurity had a statistically significant negative effect on psychological empowerment and employee engagement. This effect was small (6% of the variance explained). More specifically, affective job insecurity had a small effect on competence, meaning, impact and employee engagement. These findings confirm the findings of De Cuyper *et al.* (2008) that job insecurity impacts negatively on the engagement of employees.

Employees who fear that they will lose their jobs might experience a loss of meaning (i.e. their experiences of a sense of purpose are affected), competence (i.e. their belief that they have the skills and abilities to do their work is affected), and impact (i.e. their belief that they can influence the system in which they are embedded is affected). Greasley *et al.* (2005) found that workers who perceive themselves as empowered experience reduced levels of job insecurity (emotional strain). The loss of meaning, competence and impact might have resulted in lower levels of engagement.

The structural model confirmed that psychological empowerment (consisting of meaning, competence, impact and self-determination) predicted employee engagement. The standardised regression coefficients showed that meaning, competence and influence (consisting of impact and self-determination) were predictors of employee engagement in both high and low affective insecurity groups. However, the effect of psychological empowerment on employee engagement was stronger when affective job insecurity was high (40% of the variance explained) compared to when affective job insecurity was low (10% of the variance explained). It can thus be concluded that affective job insecurity moderated the effect of psychological empowerment on employee engagement.

Under conditions of high affective job insecurity, meaning, competence and influence (i.e. impact and self-determination) contributed strongly to employee engagement. It seems that the experience of meaningful work contributes to the engagement of employees when they fear that they might lose their jobs. Previous studies showed that, when opportunities are created to experience meaning in work, employees' attachment to work is stimulated, thus resulting in engagement (May *et al.*, 2004; Nelson & Simmons, 2003; Olivier & Rothmann, 2007). Feeling competent at work also contributes to engagement when employees fear that they might lose their jobs. According to self-determination theory (Ryan & Deci, 2001), feeling competent and confident with respect to valued goals is associated with enhanced intrinsic motivation. Influence (including self-determination and impact) also has a strong effect on the engagement of employees when they fear that they might lose their jobs. Self-determined goals are well-internalised and autonomous (Ryan *et al.*, 2008). Impact reflects whether individuals feel as though they are making a difference in their organisation (Spreitzer *et al.*, 1997). This study showed that psychological empowerment contributes strongly to employee engagement, especially under conditions of high job insecurity. In the current business environment it is crucial that managers empower their people. It is recommended that organisations implement interventions to increase the psychological empowerment of employees. Supervisors and managers play an important role in creating engaging work environments (Greco *et al.*, 2006). Interventions should focus on meaningful work, competence, self-determination and impact. Supervisors

and managers must create work environments in which people experience their work as meaningful and where they feel that they can influence events (May *et al.*, 2004). They should also build the competence of the employees. Furthermore, they could create autonomy-supportive work climates by taking employees' perspectives into account, providing greater choice, and encouraging self-initiation (Gagne & Deci, 2005). Influence (self-determination and impact) is stimulated when managers and supervisors provide a meaningful rationale for performing an uninteresting task, acknowledge the perspective and feelings of employees about tasks, and structure work to allow interdependence among employees.

This study had various limitations. First, a cross-sectional design was used and therefore it was not possible to control for confounding variables. It was not possible to establish the causality of relationships. Future studies should employ longitudinal designs to study the relationships between psychological empowerment, job insecurity and employee engagement. Second, at least one item of one of the scales of the PEQ (i.e. meaning) shows overlap with one item of the UWES. This could have inflated the relationship between meaning and employee engagement. Third, self-reports were used, which limit the responses of the participants to the items used in the scale and do not capture the richness and variety of the responses that are possible.

Future studies should focus on the relationship between psychological empowerment, job insecurity and employee engagement in a longitudinal design. Such studies should investigate the effects of psychological empowerment and employee engagement on staff turnover, absenteeism, performance and safety.

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