

The Empowerment–Organizational Performance Link in Local Governments

Abstract

Purpose: The purpose of this paper is to contribute to the understanding of how to raise organizational performance in public sector organizations through human resource management. Specifically, this study aims to investigate the link between structural empowerment and organizational performance, and the mediating role of the psychological empowerment of employees.

Design/methodology/approach: The authors apply multilevel structural equation modeling using a sample of 103 local governments' managers and 461 employees from Spain.

Findings: Results show that structural empowerment is positively associated with organizational performance. Surprisingly, this relationship is not mediated by psychological empowerment, although it is a powerful antecedent of organizational performance.

Originality/value: In the context of New Public Management (NPM), structural empowerment emerges as a useful component of human resource management for improving organizational performance in public sector organizations. Nevertheless, scant research has combined structural empowerment practices and employees' feelings of empowerment, which would create a global view to shed light on their role to increase organizational performance. Therefore, this study examines the mediating function of psychological empowerment (individual level) in the structural empowerment–organizational performance link (organizational level) in the context of public sector organizations.

Keywords: Structural empowerment, Psychological empowerment, Organizational performance, Public administration, Multilevel design.

Paper type: Research paper.

Introduction

New Public Management (NPM) (Fernandez and Moldogaziev, 2013) has highlighted the relevance of empowerment for public sector organizations due to its promotion of more decentralized organizations (Hansen and Host, 2012). This decentralization has also brought about changes in the way organizations manage people by heightening the importance of the human factor in public organizations (Giménez and Prior, 2007; Stanton and Manning, 2013). Within this context, employee empowerment is harnessed to make changes that improve the services provided (Nicholson-Crotty et al., 2017; Pitts, 2005).

Although numerous studies have reported positive effects of implementing practices to manage empowerment (see Maynard et al., 2012), the concept remains difficult to explain (Matthews et al., 2003). This situation has led scholars to study empowerment from different perspectives (Dimitriades and Maroudas, 2007), predominantly the structural and the psychological approaches. The structural perspective understands empowerment as a set of practices and structures that enable the transfer of power and authority from higher levels in the organization to lower levels, increasing access to information and resources (Bowen and Lawler, 1992). This is the “macro” approach to empowerment (Dewettinck and van Ameijde, 2011). The psychological perspective, in contrast, regards empowerment as a psychological state, as employees’ attitudes in reaction to managerial practices (Conger and Kanungo, 1988; Spreitzer, 1995; Thomas and Velthouse, 1990). This perspective considers empowerment at the individual employee level and represents the “micro” approach to empowerment (Dewettinck and van Ameijde, 2011).

While there is a growing body of research on the structural empowerment–performance link, usually showing a positive relationship (e.g., Seibert et al., 2004), few studies have considered indirect or mediating effects of work-related attitudes (Fernandez and Moldogaziev, 2013). In this line, Boxall et al. (2011) state that although the black box of general HR practices (which includes structural empowerment) has attracted increasing research attention in recent years (e.g., Aryee et al., 2012), more investigation is needed to advance our understanding of the mediating variables intervening in the HR practices–performance relationship. Furthermore, it is advisable to examine sub-dimensions of HRM or specific HR practices, such as structural empowerment (e.g., Patterson et al., 2004; Van De Voorde et al., 2012), since different HR practices can be associated with different employee and organizational outcomes (Jiang et al., 2012). Thus, by examining structural empowerment in its own right, its consequences can be determined more accurately (Van De

Voorde et al., 2016). Within the specific empowerment field, numerous scholars (e.g., Dewettinck and van Ameijde, 2011; Fernandez and Moldogaziev, 2013; Maynard et al., 2012) advocate integrating the structural and psychological approaches to gain a broader understanding of the empowerment process. However, “virtually no research has combined structural and psychological approaches to develop an integrative approach” (Cho and Faerman, 2010:130). This article focuses on the local government context to conceptually develop and empirically test a model proposing that structural empowerment directly affects organizational performance, and that this effect is mediated by employees’ psychological empowerment.

This study makes four contributions to the literature. First, by including psychological empowerment as an intervening variable, we advance knowledge of the black box between structural empowerment and organizational performance by exploring more deeply the role of individual cognitive and psychological variables in this link. Although some scholars have considered structural empowerment as an antecedent of psychological empowerment (e.g., Laschinger et al., 2001; Seibert et al., 2004), and others have demonstrated that structural empowerment affects organizational performance (e.g., Birdi et al., 2008; Fernandez and Moldogaziev, 2013; Patterson et al., 2004), these are partial frames, since they examine only one part of the reality. There is a gap in the scholarship combining the two parts that the present study attempts to fill by adopting a global view to analyze three variables simultaneously: structural empowerment, psychological empowerment and organizational performance.

The second contribution is the use of a multilevel approach to integrate the individual and organizational levels. Studies centered on the individual level (e.g., Spreitzer, 1996), originating from the field of psychology, set out to demonstrate the influence of certain behaviors and attitudes workers hold about their work performance, but neglect the organizational context in which these processes take place. Studies with a focus on the organization (e.g., Birdi et al., 2008; Patterson et al., 2004), grounded on economic approaches, explore the influence of empowerment on organizational outcomes, without taking into account the essential role of employees as a critical organizational resource to explain this relationship. Integrating the two perspectives could help advance the field of human resource management (Ostroff and Bowen, 2000), especially if multilevel mediation models are used, which according to Peccei and Van De Voorde (2016), not only further extend and refine single-level models but also represent a significant departure from them.

To the best of our knowledge, this is the first study to address psychological empowerment with a 2-1-2 design, so the paper is innovative in this field of knowledge. By studying the bottom-up relationship between psychological empowerment and organizational performance we help to extend knowledge about cross-level (1-2) links in full 2-1-2 mediation models in HRM research. This is especially important given that these links are at the heart of the key current debates in the HRM-outcomes literature on the extent to which employee attitudes and experiences actually mediate the relationship between organizational level practices and performance (Peccei and Van de Voorde, 2016). In addition, as Maynard et al. (2012) conclude in their review of psychological empowerment studies, the vast majority of empirical works dealing with this construct and its antecedents and consequences, regardless of their nature, rely solely on employees' self-reported measures, with the potential risk of vulnerability to same-source bias. By conducting a multilevel—or cross-level—model, we are able to avoid this bias and address the links by considering the real origin of the variables involved (Rousseau, 1985; Shen, 2016). Furthermore, the design follows the idea posited by Mathieu and Chen (2010) that organizational bodies function in a nested way. This implies the need to understand cross-level relationships and consider factors at higher or lower levels that could affect the focal variables of interest belonging to a different level (Raudenbush and Bryk, 2002), which we extrapolate to our context of study: employees from local governments “nested” in their respective municipalities.

Third, the study contributes to public management theories and practice. Andrews and Boyne (2010) point to the notable field of research into black box theories of public management that has demonstrated the importance of management systems, including human resource management systems (such as structural empowerment), for improving performance and service quality. These authors highlight the need to test this relationship in organizations outside U.S. state governments, such as local governments in other countries. Furthermore, Ingraham et al. (2003) call for increased efforts to specify links between management and performance that emphasize the individual's role and more active public administration. We follow this suggestion by testing the relevance of structural empowerment to performance in Spanish city councils. After all, NPM ideals make it necessary to study structural empowerment in its own right, given that one central notion of NPM is to improve effectiveness of public services by adopting HRM practices that shift away from homogeneous rules to more team working, employee discretion, recognition of employees' contributions and, in general, endeavors to motivate participation among employees by way of empowerment (e.g., Bach and Givan, 2011; Pitts, 2005; Stanton and Manning, 2013). We

also introduce psychological empowerment as an employee variable, thus complementing the findings of other studies on management and performance in the public sector (e.g., Nicholson-Crotty et al., 2017). Previous contributions examining psychological empowerment in the public sector have mainly explored the nursing context (e.g., Chang and Liu, 2008; Smith et al., 2010), while studies in the Spanish public sector have generally looked at management issues (e.g., Barba and Serrano, 2015; Torres et al., 2011) and have neglected the employee's experiences. Therefore, we extend research on empowerment by examining its two perspectives in a novel public sector context: Spanish local authorities.

Finally, we add specific empirical evidence of the important role of empowerment within the NPM context. The current challenges and changes in the public sector are a reality (Angiola and Bianchi, 2015; Audenaert et al., 2017; Pollitt, 2001) and local governments particularly—the level of government closest to the public (Kim and Wright, 2007)—have introduced a wide range of techniques to improve management in order to raise performance in quality, efficiency, effectiveness, and citizen satisfaction (Leeuw, 1996). Local governments are increasingly required to meet more professional and varied demands (Giménez and Prior, 2007; Vermeeren et al., 2011); as a result if employees are not empowered, they cannot cope with such organizational challenges, complexities and innovations (Audenaert et al., 2017; Laschinger et al., 2004). Under these new circumstances they need to take risks, be more ingenious, behave more proactively, and find ways to improve the services they provide and performance in general (Diefenbach, 2009; Pitts, 2005). In this environment, apart from the structural empowerment practices that the local government can put into practice, having psychologically empowered employees is particularly important (Brunetto et al., 2012; Scotti et al., 2007) since it gives individuals a sense of control in their job (Spreitzer, 1995) and awareness of the work context, accountability for personal work output, and, overall, a powerful state of mind (Gautam and Ghimire, 2017; George and Zakkariya, 2014). It is therefore reasonable to think that it could be highly beneficial for optimum service delivery and improving performance in the public context (Taylor, 2013; Van Loon, 2017). The present study therefore hopes to shed light on the role both types of empowerment play in organizational performance.

The following sections outline the context of the study, the theoretical framework, and the hypotheses. We then describe the method used to test the proposed model, and discuss the results. Finally, we present the implications of our findings for theory and practice, and draw conclusions.

Figure 1 here

Theory and Hypotheses

Empowerment in Local Authorities

As noted above, structural empowerment is “a managerial-initiated, socio-structural phenomenon” (Biron and Bamberger, 2010:164). According to Fernandez and Moldogaziev (2013), the intellectual origins of structural empowerment date from the human relations movement, although scholars have located its roots in diverse theories, such as participative management and employee involvement (Spreitzer et al., 1997), employee participation (Herrenkhol et al., 1999), or job design and job characteristics research (Maynard et al., 2012), evidencing its transversal nature.

Bowen and Lawler’s (1992, 1995) definition of employee (structural) empowerment in private service firms, an “approach to service delivery”, is the most widely used description (Bowen and Lawler, 1992:32). Given that local governments act as service providers, Bowen and Lawler’s theory of empowerment is therefore a useful perspective from which to study structural empowerment (Fernandez and Moldogaziev, 2013). According to Bowen and Lawler (1992, 1995), to realize the benefits of (structural) empowerment, the following practices need to be shared with employees: (1) power to make decisions, (2) information, (3) knowledge, and (4) rewards (1992, 32), in order to achieve a multiplicative rather than additive effect on performance (1995, 74).

Bowen and Lawler’s practices of structural empowerment seem to be contemplated in the normative theory of public administration, specifically the “New Public Service” (Denhardt and Denhardt, 2000). This normative approach establishes continuous training and updating of employees’ knowledge and skills as a right. NPM also encourages employees to put forward ideas to their superiors on how to improve the way they carry out their tasks and functions. Likewise, the supplementary payment, or bonus, linked to performance and productivity is fundamental to NPM. Finally, information is also crucial to local government transformation, since the vertical generation of information is a basic aim of labor relations (Cuenca, 2010) and is essential to involving professionals within the organization (Serna, 2008).

Psychological empowerment concerns employees’ beliefs about the degree of influence they have over their work (Conger and Kanungo, 1988; Spreitzer, 1995; Thomas and Velthouse, 1990). Following Thomas and Velthouse’s (1990) conceptualization, Spreitzer’s model (1995:1444) —the most widely followed in previous research— describes psychological empowerment “as a motivational construct manifested in four cognitions:

meaning, competence, self-determination, and impact”. Meaning concerns the importance attributed to the individual’s job, judged in relation to his or her own ideals or standards. Competence refers to the extent to which individuals believe they are able to perform tasks and activities skillfully when they try. Self-determination or autonomy is the feeling that one has a choice in initiating and regulating actions. Finally, impact refers to the degree to which individuals perceive that they have an influence over outcomes at work (Spreitzer, 1995; Thomas and Velthouse, 1990).

The four cognitions of psychological empowerment are useful feelings for public employees to cope with the new and challenging public environment. Public employees should typically want to serve the public interest, and be more highly motivated by the intrinsic rewards they receive from performing a task (Houston, 2000), so their feelings of empowerment are decisive in their work routine. Mostafa et al. (2015) note that public employees should express their prosocial motivation when offering their service. Good service depends on employees feeling they have control over the way they work toward aims (Cuenca, 2010). This allows them to feel that their particular tasks and activities at work affect the overall results (Taylor, 2013). Furthermore, the current environment in local authorities means employees must be able to feel they can make decisions and perform tasks autonomously, without a high level of concentrated authority (Vandenabeele et al., 2005).

The Direct Effect of Structural Empowerment on Organizational Performance

The Bowen and Lawler framework of empowerment (1992, 1995) states that empowered service employees respond to customer needs more quickly and they interact with more enthusiasm and warmth, leading to better performance. Bowen and Lawler (1992, 1995) also point out that empowerment helps in recovery following service failures, and leads to more satisfied customers and employees. As Beltran et al. (2008) argue in the context of high performance work systems, the resource-based view of the firm explains how by developing a human capital pool, empowerment practices could lead to competitive advantages. Much empirical evidence confirms the beneficial effects of structural empowerment practices on organizational outcomes (Biron and Bamberger, 2010; Logan and Ganster, 2007). Studies in the private sector have confirmed these links, finding positive relationships between practices related to structural empowerment and quality (Seibert et al., 2004), productivity (Birdi et al., 2008; Patterson et al., 2004), sales and service (Wallace et al., 2011), and, overall performance (Patterson et al., 2004; Seibert et al., 2004). In a meta-

analysis of practices closely related to empowerment, consisting of dimensions such as information sharing, promotion, career development, training, compensation and employee involvement, Jiang et al. (2012) showed that high performance work systems are related to financial results, voluntary turnover, and operational outcomes. In sum, providing an organization with an environment that fosters empowerment leads to important benefits (Siegall and Gardner, 2000).

In the public sector recent black box theories of public management affirm that human resource management, which includes structural empowerment, strongly affects higher performance delivery (Ingraham et al., 2003). In this same line, Burgess (1975) found that when a public organization demonstrates high capacity in managing human resources, among other aspects, it enables the organization to be adaptable, efficient, and effective, thereby enhancing performance. Several researchers (e.g., Petter et al., 2002) hold that empowerment practices benefit organizations by improving performance, and as a result their importance in the public sector has grown. For example, Fernandez and Moldogaziev (2013) analyzed U.S. federal employees and found that empowerment practices have a positive, substantial and significant influence on perceived performance of the overall quality of work done and mission accomplishment. Barba and Serrano's (2015) study in Spanish local governments found that training has a positive and significant effect on employees' ability, and career development enhances employees' ability and citizen service, concluding that the more attention local governments pay to human resources, the greater the improvements to employees' skills and service to citizens. Other studies, such as Lee et al. (2006), Naghavi et al. (2012) or Smith et al. (2012), showed similar findings, demonstrating positive effects of empowerment practices on perceptions of organizational effectiveness and organizational performance. According to Walker and Boyne (2006), there is evidence that management (including human resource management) plays an important role in making a difference to public service performance. And more specifically, "the more effort from local government in involving the personnel, the more impact and cultural change is achieved" (Pina et al., 2011:582). Thus, we propose the following hypothesis:

Hypothesis 1. There is a positive relationship between structural empowerment and perceived organizational performance in local governments.

The Indirect Effect: The Structural–Psychological Empowerment Link

Thomas and Velthouse's (1990) theoretical model of empowerment in the workplace, which formed the basis for Spreitzer's definition of psychological empowerment, states that empowering interventions (structural empowerment) enable workers to feel they can perform their work competently (1990) and develop an active and positive orientation to their jobs.

In the same line, Bowen and Lawler (1995) note that empowering practices generate an empowered state of mind in employees, including control over what happens on the job, freedom to do their job and act spontaneously with customers, and awareness of the context of work, among others. All these factors are closely related to the psychological empowerment concept.

Many studies corroborate this conclusion. One of the first scholars to suggest the connection between the two types of empowerment was Spreitzer (1995, 1996). She found that low role ambiguity, sociopolitical support, access to information, and participative climate create opportunities for (psychological) empowerment in the workplace. As well as Spreitzer (1995, 1996), other scholars have studied the structural and psychological empowerment relationship in a wide range of service companies (e.g., Kazlauskaitė et al., 2012; Sharma and Kaur 2011; Wallace et al., 2011), showing that empowering practices such as reward systems, autonomy and participative decision making have positive effects on employees' psychological empowerment levels. Maynard et al. (2012) explain that psychological empowerment appears when management transfers autonomy and responsibility to employees. Psychological empowerment is therefore an employee reaction to structural empowerment conditions (Laschinger et al., 2004).

Despite the importance of empowerment and the empirical evidence to support it, public sector research has paid little attention to the subject, especially psychological empowerment (Cho and Faerman, 2010; Dimitriades and Maroudas, 2007). Cho and Faerman's (2010) study is one of the few to examine the structural (as an employee perception) and psychological empowerment relationship in areas of the public sector other than health services. Using a sample of public employees in the city of Seoul (Korea), these authors found that structural empowerment affects extra-role performance through psychological empowerment.

In light of the studies reviewed and the context, structural empowerment is likely to be valuable and to have major implications for psychological empowerment in local government. We therefore pose the following hypothesis:

Hypothesis 2. There is a positive relationship between structural empowerment and psychological empowerment in local governments.

The Indirect Effect: The Psychological Empowerment–Organizational Performance Link

Bowen and Lawler (1992, 1995) claim that empowered employees can respond more quickly to angry or dissatisfied customers, as they feel they have the necessary resources to resolve the situation and to give customers what they need without turning to a supervisor or higher authority. This leads to better responses during the service delivery, more satisfied recipients, and better service quality in general. Furthermore, employees' feelings about their jobs affect the way customers feel about the service they receive (Bowen and Lawler, 1992). These authors also state that empowered employees are more willing to offer their opinion and give ideas to improve the service. In fact, they point out that an employee's empowered state of mind mediates the relationship between management practices and business results (Bowen and Lawler, 1995:74).

Several empirical studies have shown the connection between psychologically empowered employees and high performance. In the services sector, Jung and Sosik (2002) revealed a positive relationship between psychological empowerment and collective efficacy, which in turn was positively related to group members' perceived group effectiveness. Koberg et al. (1999) studied a sample of full-time professionals working in a large private hospital, and found that empowerment perceptions (i.e., psychological empowerment) were associated with work productivity/effectiveness. Seibert et al.'s (2011) meta-analysis demonstrated that psychological empowerment was positively associated with a broad range of outcomes, such as productivity and service performance, and, at the team level, team psychological empowerment was positively related to team performance (customer service ratings, productivity, and effectiveness, among others). In sum, Spreitzer (2008) points out, there is clear evidence that psychological empowerment is related to performance at the individual, team and unit level.

As organizations in the public sector are service-oriented (Chang et al., 2010), empowered employees are crucial in the response to customer' needs, as suggested by Bowen and Lawler's empowerment framework and the growing body of empirical evidence. Citizens, understood as public sector "customers" (Cuenca, 2002), will experience high levels

of service satisfaction and will receive higher quality service when they are attended by employees who feel empowered. According to Taylor (2013:456) “employees’ beliefs that their job is meaningful can satisfy their need to feel connected to others”, so their behavior with citizens will be closer and more satisfactory to both parties when employees feel empowered. Likewise, following Bowen and Lawler (1992, 1995), organizational outcomes in terms of local communities’ social, economic and environmental well-being may be enhanced by suggestions from empowered employees.

In a service delivery situation, psychologically empowered employees are motivated to work because they feel they have the autonomy and capacity to perform meaningful activities that can impact on customers (Auh et al., 2014), or citizens in our case. The psychologically empowered local authority workforce will, therefore, share a general cognitive state that implies an active orientation toward work (Spreitzer, 1995), an internalization of task goals (Kanter, 1983), and higher perseverance of effort in nonroutine circumstances and resilience in challenging situations (Bandura, 1977), which will lead to service-oriented behaviors (Auh et al., 2014; Shapira-Lishchinsky and Tsemach, 2014). Since they think that by going beyond the call of duty they can make a significant difference to citizens (Auh et al., 2014), overall performance will be enhanced. Self-determination theory (Deci and Ryan, 2000) can help to explain this link. By experiencing psychological empowerment, employees satisfy their innate needs for competence and autonomy, which helps to develop a human psyche that influences and gives psychological potency to the regulatory processes directed to coherence, effectiveness and vitality (Deci and Ryan, 2000). This, ultimately, can translate into better general performance in the specific work context of a city council: fast and amenable responses to citizens, and improved citizen satisfaction. Therefore, as Ryan et al. (1997) contend, the existence and salience of these psychological needs also imply an adaptive advantage for groups (or organizations, such as local authorities).

There is empirical evidence supporting the association between psychological empowerment and organizational effectiveness. Sharma and Kaur (2011) studied samples of private and public bank employees and found a high correlation between psychological empowerment and organizational effectiveness, understood as planning, productivity, or efficiency and readiness. Chang and Liu (2008) also found productivity as one of the results of psychological empowerment. In turn, Alge et al. (2006) investigated workers in a large public university, confirming that psychological empowerment was linked to creative performance.

Given the above arguments, we consider the effect of psychological empowerment on organizational results to be plausible in local governments. Our final two hypotheses are therefore:

Hypothesis 3. There is a positive relationship between psychological empowerment and perceived organizational performance in local governments.

Hypothesis 4. Psychological empowerment mediates the relationship between structural empowerment and perceived organizational performance in local governments.

Method

Sample and Data Collection

The empirical study took place in Spain, a country that offers an illustrative example of NPM. In the Spanish context, the guiding principles and ideas of the NPM mainstream are embodied in a legal statute, the *Estatuto Básico del Empleado Público* (EBEP, 2007, in English, the Basic Statute of the Public Employee). It aims to enhance participation and to improve human resource management through principles and actions related to structural empowerment (e.g., training, performance-linked bonuses), and it prioritizes improving the quality, efficacy and efficiency of services citizens receive.

Drawing on previous studies (e.g., Barba and Serrano, 2015), the data to test the proposed hypotheses were obtained from a sample of local authorities in Spanish cities with more than 20,000 inhabitants. We focused on large municipalities since they implement more strategic management practices (Poister and Streib, 2005), and structural empowerment can be considered an element of strategic management (Seibert et al., 2011). According to this criterion, the sample population consisted of 399 local governments. We obtained the list of these local governments and their contact information from the *Federación Española de Municipios y Provincias* (FEMP, Spanish federation of municipalities and provinces).

The unit of analysis comprised the local governments (organization) and the employees (individual). Collecting data from two different sources limits problems associated with common method variance (Collins and Smith, 2006). Following the literature, we prepared two questionnaires: one for local government managers (e.g., human resource manager), and the second for other public employees. The questionnaires were uploaded onto an Internet survey application and pretested by four local government managers and other

employees to test and improve the measures, to ensure all the questions were easily understood, and to verify the suitability of the online format. After making the necessary improvements to the questionnaires, we first telephoned all the local governments in the population and made contact with the human resource managers, or the person in charge of personnel management (the clerk or the auditor)¹, to explain the study and request their email addresses. Likewise, they were informed of the purpose and relevance of the research project and the confidentiality of the responses. We then contacted these managers with emails containing links to the two questionnaires, asking them to complete the questionnaire addressed to them (on structural empowerment and performance), and inviting them to send the employees' questionnaire (on employees' psychological empowerment) at random to a minimum of four employees, following the procedure used in other contributions (e.g., Li et al. 2017). We then made follow-up telephone calls to increase response rates, as proposed in the literature (Dillman et al., 2009).

We removed town or local governments with fewer than 4 employee responses, following previous contributions in which a comparable minimum number of employees had been set (Seibert et al., 2004). After this step, we equalized the number of respondents from each organization by randomly sampling observations from local authorities with more than six respondents (Schneider et al., 2003). As a result, some responses were deleted from these city councils. The sample error for the organizational level sample was ± 8.33 at 5% significance level. This yielded a sample of 103 manager questionnaires and 461 employee questionnaires. The number of employee respondents per local government ranged from 4 to 6, with an average of 4.48 ($SD=0.7$). The respondents surveyed came from a wide range of local authority administrative services, including human resource management, accounting, town planning, tourism, and social services. Respondents reported an average of 17.52 years' experience in their organizations ($SD=9.72$), and an average age of 46.9 years ($SD=7.52$). They were predominantly women (62.7%), and non-supervisors (69.6%). The majority of the manager respondents were human resource managers (90.3%). The participating local governments had an average of 497.58 employees ($SD=802.33$).

Measures

The appendix provides a comprehensive report of the instruments used in our study. The scales were constructed originally in English. As some scholars have proposed (e.g.,

¹ All these are administrative positions with similar levels of customer interaction.

Ghauri et al., 1995), we followed standard translation and back-translation procedures to translate the measures into Spanish.

Structural Empowerment. The scale consisted of twenty-two items adapted from Lawler et al.'s (2001) scale. Local government managers responded to items on the dimensions of decision-making power, information sharing, rewards, and knowledge and training on a 7-point scale ranging from 1 (no employees) to 7 (all employees). Guided by previous studies (e.g., Datta et al., 2005), we created a single index by taking the mean of the four subscales generated from the survey items. Cronbach's alpha for the composite structural empowerment scale was 0.93.

Psychological Empowerment. Employees responded on Spreitzer's 12-item psychological empowerment scale (1995), a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). We then averaged the responses to the items to form an overall psychological empowerment score (e.g., Seibert et al., 2004; Taylor, 2013). Taken together, the 12 items showed high reliability ($\alpha = 0.86$).

Perceived Organizational Performance. We evaluated organizational performance using the eight items from Walker and Boyne's (2006) scale, designed for the public sector, measuring perceptions of output and efficiency, responsiveness, and service outcomes. For each of the eight items, local managers assessed the quartile in which their organization was located, with 1 being the bottom and 4 the top. In the absence of objective data for measuring organizational performance, perceptual measures are widely accepted since they correlate highly with objective measures (e.g., Dollinger and Golden, 1992; McCracken et al., 2001). We averaged the responses to the three dimensions to form a global organizational performance score. Taken together, scale items showed high reliability ($\alpha = 0.90$).

Controls. Following previous studies, we controlled for different characteristics. At the employee level, we included gender (female=1; male=0) (Spreitzer et al., 1997), since it has been argued that women might feel lower levels of empowerment due to their token condition (Kanter, 1977), and job position (supervisor=1; non-supervisor=0). Previous contributions have demonstrated that holding a managerial position raises levels of psychological empowerment (Ergeneli et al., 2007; Jensen et al., 2013; Maynard et al., 2014), and that, specifically in the public context, the job, as a way in which organizations structure employees, conditions employees' perceptions of employment relationships, which in turn affects their motivation and emotions (Audenaert et al., 2018). At the organizational level, we incorporated, first, the size of the local government (number of employees), since larger

organizations may enjoy advantages brought by greater availability of resources (Piening et al., 2013); and second, the strategic integration of HRM in the overall local authority strategy. To this end we asked whether the human resource manager or the person in charge of human resource issues participates in city council meetings in which important questions are debated (yes=1; no=0). The rationale behind the inclusion of this variable is that the strategic importance of the human resource question in an organization can affect its results (e.g., Björkman and Xiucheng, 2002; Huang, 2000; Roche, 1999). The strategic importance of human resources and the relevance of linking HRM practices to the overall strategy in the organization to increase competitiveness and effectiveness is well established (Huang, 2000). Therefore, the extent to which the HRM system matches the organizational strategy could impact organizational performance (Björkman and Xiucheng, 2002).

Analytical Procedures

The structure of the data was non-independent, since the 461 employees were working in 103 local governments. We therefore applied multilevel structural equation modeling (MSEM) using MPlus software (Muthén and Muthén, 1998–2012) to test the hypotheses. MSEM allows us to specify multilevel mediation models with cross-level relationships (e.g., a 2-1-2 multilevel design) (Preacher et al., 2010). The between-group level variation, estimated by the intraclass correlation coefficient (ICC1) for psychological empowerment (the individual level variable), showed a substantial value of 0.063 (Muthén and Satorra, 1995), suggesting the appropriateness of multilevel analysis. In the analysis we used a maximum likelihood estimator with standard errors and chi-square test statistics robust to non-normality, and tested the hypotheses by means of multilevel path-analysis, which estimates the direct and indirect relationships simultaneously.

Results

Table 1 presents the means, standard deviations and bivariate correlations of the study measures.

Table 1 here

Table 2 shows the estimates for the model presented in figure 1. The proposed model provided an acceptable fit, taking into account the value of the chi-square test ($\chi^2(4)=1.40$, p -value=0.84; CFI=0.99; RMSEA=0.01). The table shows that structural empowerment is positively and significantly associated with organizational performance ($\beta=0.39$, $p<.001$), supporting hypothesis 1. Hypothesis 2 was not confirmed, since the values failed to achieve statistical significance; we therefore found no relationship between structural empowerment and psychological empowerment in local governments. The results confirmed the link between psychological empowerment and organizational performance, established in hypothesis 3 ($\beta=0.20$, $p<.05$). Taken together, these findings suggest that organizational performance is positively associated with both structural empowerment and psychological empowerment, although there is no link between the two types of empowerment. We also found that the indirect mediating effect of psychological empowerment is not significant in the structural empowerment–organizational performance relationship. These results therefore do not support hypothesis 4, which posited the mediational role of psychological empowerment². Finally, estimated coefficients show that neither the employees' gender nor the size of the local government is associated with psychological empowerment or organizational performance, respectively. The strategic integration of HRM shows a positive and significant association with organizational performance ($\beta=0.16$, $p<.10$), and job position—that is, supervisor status—is significantly and positively related to psychological empowerment at both organizational ($\beta=0.40$, $p<.05$) and employee ($\beta=0.28$, $p<.001$) levels.

Table 2 here

Discussion

Theoretical implications

In this paper we proposed and tested a multilevel model to examine the influence of structural empowerment on organizational performance in the context of local authorities, and the mediating role of psychological empowerment in this relationship. The study furthers understanding of the empowerment construct and its effects in the public sector. Our findings

² Following a request from an anonymous referee, and given the surprising lack of mediation, a new model was estimated in which psychological empowerment acted as a moderator in the structural empowerment–organizational performance link. However, the results of this model did not support a moderating effect either.

partially confirm the research hypotheses. The structural empowerment practices local authorities put in place explain the differences in organizational performance among them. Likewise, psychological empowerment emerges as a driver of organizational performance. Overall, both types of empowerment (although independently, since the mediating effect was not confirmed) play a key role in organizational performance. A discussion of some of the specific theoretical contributions of this study now follows.

Firstly, recent black box theories of public management have claimed that structural empowerment, as a part of human resource management, plays a vital role in improving performance and service quality (Andrews and Boyne, 2010). Our results are consistent with previous research examining the empowerment practices and performance link (e.g., Lee et al., 2006; Patterson, et al., 2004). Furthermore, we considered structural empowerment as a construct in itself, based on Bowen and Lawler's (1992, 1995) multidimensional model, and not as a part of a more general bundle of practices.

Secondly, our study did not find a positive link between structural empowerment and psychological empowerment, in contrast to previous studies (e.g., Cho and Faerman, 2010; Wallace et al., 2011). We propose three possible explanations for this surprising finding. The first one may be that public sector employees configure their psychological empowerment differently to those of private sector. As Houston (2000) points out, public sector employees are more highly motivated by the intrinsic rewards they receive from performing a task, so it seems that their internal motivations and feelings are more powerful and independent from external circumstances than those of private employees. Structural empowerment as an external intervention may not affect them in the expected way because the employees themselves generate their feelings of meaning, competence, impact, and autonomy. Job crafting theory would support this view. It claims that "employees craft their jobs by changing cognitive, task, and/or relational boundaries to shape interactions and relationships with others at work" (Wrzesniewski and Dutton, 2001:179). Employees therefore play a more active role in shaping the outcomes of the organizational interventions (Nielsen, 2013) and in how they feel about their work, such that the way their own jobs are configured could be the cause of their feelings of empowerment, rather than structural empowerment interventions. Notably, research into the relationship between employees' personal characteristics and the configuration of their psychological empowerment has demonstrated that, for instance, positive self-evaluation traits (Seibert et al., 2011) and high levels of need for achievement are strongly related to psychological empowerment (Hon and Rensvold, 2006).

The second explanation takes into account the public service motivation (PSM) (Perry and Wise, 1990: 368) concept, defined as “an individual’s predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations.” Because our study suggests that psychological empowerment may be generated more by individual traits than by structural influences, it is important to consider whether certain individuals are more predisposed to public service work, which could enhance their feelings of empowerment at work. According to Perry and Wise (1990), individuals with high levels of PSM are intrinsically motivated in their jobs because there they enjoy high task significance, which is extremely close to the meaning dimension of psychological empowerment. Altruism is also related to PSM, since PSM implies employees’ efforts to impact, through their endeavor, on a valued social service (Perry et al., 2010), which is closely related to the impact dimension of psychological empowerment. PSM, therefore, could foster feelings of empowerment in the public context. In sum, employees’ individual characteristics and their own power should not be overlooked in explanations of psychological empowerment in public sector organizations.

The third explanation could be the divergence between practices formally established by management and practices actually experienced by employees, which has been recognized as an important oversight in HRM literature (Aryee et al., 2012; Liao et al., 2009; Nishii and Wright, 2008). As Aryee et al. (2012) argue, in fact, employees’ perceptions of the practices implemented by management are the channel through which their attitudes and emotions can be affected. Underlying this idea is the fact that different employees might not experience HR practices in the same way because, for instance, depending on their status they will benefit from specific practices to a greater or lesser extent (Lepak and Snell, 2002; Osterman, 1987), or although they belong to the same group, employees perceive practices differently because of their cultural background or values (Liao et al., 2009).

On the other hand, the results also confirmed the positive relevance of psychological empowerment for organizational performance. This finding contributes to the growing body of research on the topical question of how to motivate performance in public organizations. The study therefore supports the ideas put forward by Bowen and Lawler (1992, 1995). Where there is a high level of motivation at work, a feeling of competence in the tasks the job involves, of autonomy and freedom to carry out daily activities, and a feeling that employees are making a difference to the work unit through their own efforts, local authorities are able to enhance the way in which the service is delivered and their overall performance. As mentioned earlier, self-determination theory (Deci and Ryan, 2000) is also aligned with the

association between psychological empowerment and organizational performance in local authorities. When these employees are psychologically empowered, they feel that their innate needs for competence and autonomy are satisfied, which shapes a workforce with a psychological state that regulates certain behaviors and emotions, such as feelings of energy, resilience or consistency. This means that employees are more enthusiastic, focused and patient in their dealings with the public and in carrying out their daily tasks, which contributes to enhanced overall performance.

Practical implications

Our results also have implications for management practice. The findings suggest that from both its perspectives—structural and psychological—empowerment is a valuable way of enhancing organizational performance in local governments. Two types of action are noteworthy in this line. First, to foster organizational performance, local governments' managers should introduce structural empowerment programs that will develop training, establish productivity-based bonuses, spread information, and give employees the opportunity to participate in making decisions. The NPM ideals of improving effectiveness, efficiency, and citizen satisfaction require local governments to develop strategies with which to face the new challenges. Indeed, they “have long been considered laboratories for experimenting with governmental reforms” (Ihrke et al., 2003:79), and their responsibilities to society are increasing, so their actions are essential to NPM success.

Second, with regard to employees and their psychological empowerment, managers should improve and adapt staff selection systems to take into account employees' motivations and personality, as far as the system regulating public employee selection allows it. For example, tests to evaluate candidates' personal characteristics and motivations should be carried out, thereby complementing knowledge and skills requirements. Likewise, taking into account candidates' PSM levels could usefully help to identify those most skilled and suited for public-sector work (Perry, 2000). As this study has shown, structural empowerment practices do not affect employees' psychological empowerment; the way to nurture a staff of psychologically empowered employees should start by selecting candidates who have the capacity to foster their own psychological empowerment by themselves. Managers could also promote this by giving employees the opportunity to mould their job according to their preferences, skills and abilities (Wrzesniewski and Dutton, 2001), since this job crafting process leads to a more meaningful perception of work (Tims and Bakker, 2010;

Wrzesniewski and Dutton, 2001) and may ultimately facilitate psychological empowerment, irrespective of organizational interventions. Local governments account for large proportions of public sector expenditure around the world (Andrews and Boyne, 2010), and scrutiny of their performance is therefore essential. In sum, in this context empowerment is an important tool for improving performance, and, as Cho and Faerman (2010) note, to achieve effectiveness in the new public management environment, leaders in government organizations should pay attention to both structural and psychological empowerment.

Limitations and future research

The study has some limitations. First, the sample consists of Spanish local governments and their employees. Therefore, although our study offers some important insights in relation to existing research in the empowerment and organizational performance framework, future investigation in other public settings is warranted in order to generalize the model. In addition to this, and given that the practices implemented in a local government may be experienced in a different way depending on the employee (Liao et al., 2009), future studies could also usefully measure employees' perceptions of structural empowerment with the aim of obtaining information from respondents at the two levels and controlling for possible divergences. Finally, with regard to the organizational level, the issue of endogeneity should be noted, since performance could be endogenous to structural empowerment, therefore giving rise to a reversed causality (Nicholson-Crotty et al., 2017). Traditionally, the link between management and performance has been addressed as one-way, so almost no study has examined the link between the success of a public organization and its management practices. Perhaps local governments with higher performance are more likely to be willing to make decisions aimed to develop structural empowerment programs. The fact that we were unable to measure real performance and considered perceived performance may prevent us from inferring the actual effects of structural empowerment. External tools, such as the Comprehensive Performance Assessment (CPA) introduced in England as an external measure of local government performance (Lockwood and Porcelli, 2013; Walker and Boyne, 2006), constitute interesting models of explicit incentive for such organizations and gather objective indicators for different areas of municipalities' activity. Likewise, their continuous nature provides researchers with available data at different points in time. If a similar tool were available for Spanish local governments, future empirical studies could

usefully apply a longitudinal design using objective data to rigorously assess the causal links in this hypothesized model and to deal with the potential for reciprocal causation.

Conclusion

In summary, the present study reports new evidence about empowerment and its effects on organizational performance in the public sector context. We demonstrated that structural empowerment has a strong and positive influence on organizational performance, supporting the belief that local authority management should pay more attention to managing human resource practices, specifically by investing in the development of empowering practices. Furthermore, this study provides new empirical evidence by showing that structural empowerment does not influence employees' psychological empowerment, but rather it must be sought and promoted through other means, since it does influence organizational performance. Therefore, although we do not find evidence for the mediating role of psychological empowerment in the structural empowerment–organizational performance link, the results highlight the importance of both structural and the psychological empowerment in yielding improved organizational performance in the local government context.

References

- Alge, B.J., Ballinger, G.A., Tangirala, S., and Oakley, J.L. (2006). Information privacy in organizations: empowering creative and extrarole performance. *Journal of applied psychology*,91:1,221.
- Andrews, R., and Boyne, G.A. (2010). Capacity, leadership, and organizational performance: Testing the black box model of public management. *Public Administration Review*,70:3,443-454.
- Angiola, N., and Bianchi, P. (2015). Public managers' skills development for effective performance management: Empirical evidence from Italian local governments. *Public Management Review*,17:4,517-542.
- Aryee, S., Walumbwa, F.O., Seidu, E.Y., and Otaye, L.E. (2012). Impact of high-performance work systems on individual-and branch-level performance: test of a multilevel model of intermediate linkages. *Journal of Applied Psychology*,97:2,287.
- Audenaert, M., George, B., and Decramer, A. (2018). How a demanding employment relationship relates to affective commitment in public organizations: A multilevel analysis. *Public Administration*. DOI: 10.1111/padm.12378

- Audenaert, M., Vanderstraeten, A., and Buyens, D. (2017). When innovation requirements empower individual innovation: the role of job complexity. *Personnel Review*,46:3,608-623.
- Auh, S., Menguc, B., and Jung, Y. S. (2014). Unpacking the relationship between empowering leadership and service-oriented citizenship behaviors: a multilevel approach. *Journal of the Academy of Marketing Science*, 42:5,558-579.
- Bach, S., and Givan, R. (2011). Varieties of new public management? The reform of public service employment relations in the UK and USA. *The International Journal of Human Resource Management*, 22:11,2349-2366.
- Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review*, 84,191–215.
- Barba, M.I., and Serrano, J. (2015). Is human resource management in local councils useful? *Investigaciones Europeas de Dirección y Economía de la Empresa*,21,9–16.
- Beltrán-Martín, I., Roca-Puig, V., Escrig-Tena, A., and Bou-Llugar, J.C. (2008). Human resource flexibility as a mediating variable between high performance work systems and performance. *Journal of Management*,34:5,1009-1044.
- Birdi, K., Clegg, C., Patterson, M., Robinson, A., Stride, C.B., Wall, T.D., and Wood, S.J. (2008). The impact of human resource and operational management practices on company productivity: a longitudinal study. *Personnel Psychology*,61:3,467–501.
- Biron, M., and Bamberger, P. (2010). The impact of structural empowerment on individual well-being and performance: Taking agent preferences, self-efficacy and operational constraints into account. *Human Relations*,63:2,163-191.
- Björkman, I., and Xiucheng, F. (2002). Human resource management and the performance of Western firms in China. *International Journal of Human Resource Management*, 13:6,853-864.
- Bowen, D.E., and Lawler, E.E. (1992). The Empowerment of Service Workers: What, Why, How, and When. *Sloan Management Review*,33:3,31-39.
- Bowen, D.E., and Lawler, E.E. (1995). Empowering service employees. *Sloan management review*,36:4,73.
- Boxall, P., Ang, S.H., and Bartram, T. (2011). Analysing the ‘black box’of HRM: Uncovering HR goals, mediators, and outcomes in a standardized service environment. *Journal of Management Studies*,48:7,1504-1532.
- Burgess, P.M. (1975). Capacity Building and the Elements of Public Management. *Public Administration Review*,35:6,705–16.

- Brunetto, Y., and Farr-Wharton, R. (2008). Service delivery by local government employees post-the implementation of NPM: A social capital perspective. *International Journal of Productivity and Performance Management*,57:1,37-56.
- Chang, C.C., Chiu, C.M., and Chen, C.A. (2010). The effect of TQM practices on employee satisfaction and loyalty in government. *Total Quality Management*,21:12,1299-1314.
- Chang, L.C., and Liu, C.H. (2008). Employee empowerment, innovative behavior and job productivity of public health nurses: A cross-sectional questionnaire survey. *International journal of nursing studies*,45:10,1442-1448.
- Cho, T., and Faerman, S.R. (2010). An Integrative Model of Empowerment and Individuals' In-Role and Extra Role Performance in the Korean Public Sector: Moderating Effects of Organizational Individualism and Collectivism. *International Public Management Journal*,13:2,130–154
- Collins, C.J., and Smith, K.G. (2006). Knowledge exchange and combination: The role of human resource practices in the performance of high-technology firms. *Academy of management journal*,49:3,544-560.
- Conger, J., and Kanungo, R. (1988). The empowerment process: Integrating theory and practice. *Academy of Management Review*,13:3,471-483.
- Cuenca, J. (2002). La gestión estratégica de recursos humanos en las entidades locales. *Capital Humano*,161,32-38.
- Cuenca, J. (2010). *Manual de Dirección y Gestión de Recursos Humanos en los Gobiernos Locales* 1st ed., Madrid: Instituto Nacional de Admón. Pública.
- Datta, D.K., Guthrie, J.P., and Wright, P.M. (2005). Human resource management and labor productivity: does industry matter? *Academy of management Journal*,48:1,135-145.
- Deci, E.L., and Ryan, R.M. (2000). The " what " and " why " of goal pursuits: Human needs and the self-determination of behavior. *Psychological inquiry*,11:4,227-268.
- Denhardt, R.B., and Denhardt, J.V. (2000). The new public service: Serving rather than steering. *Public administration review*,60:6,549-559.
- Dewettinck, K., and van Ameijde, M. (2011). Linking leadership empowerment behaviour to employee attitudes and behavioural intentions: Testing the mediating role of psychological empowerment. *Personnel Review*,40:3, 284-305.
- Diefenbach, T. (2009). New public management in public sector organizations:the dark sides of managerialistic 'enlightenment. *Public administration*, 87:4,892-909.
- Dillman, D.A., Smyth, J.D., and Christian, L. (2009). *Internet, Mail and Mixed-Mode Surveys: The Tailored Design Method*. New Jersey: John Wiley & Sons.

- Dimitriadis, Z.S., and Maroudas, T. (2007). Internal service climate and psychological empowerment among public employees. *Transforming Government: People, Process and Policy*,1:4,377–400.
- Dollinger, M.J., and Golden P.A. (1992). Interorganizational and collective strategies in small firms: Environmental effects and performance. *Journal of Management* 18:695–715.
- Ergeneli, A., Ari, G.S.I., and Metin, S. (2007). Psychological empowerment and its relationship to trust in immediate managers. *Journal of Business Research*, 60:1, 41-49.
- Fernandez, S., and Moldogaziev, T. (2013). Employee empowerment, employee attitudes, and performance: Testing a causal model. *Public Administration Review*,73:3,490-506
- Gautam, D.K., and Ghimire, S.B. (2017). Psychological Empowerment of Employees for Competitive Advantages: An Empirical Study of Nepalese Service Sector. *International Journal of Law and Management*, 59:4, 466-488.
- George, E., and Zakkariya, K.A. (2014). Employees' perception of empowerment: a comparative study among different sectors of banks. *International Journal of Services, Economics and Management*, 6:2,132-145.
- Ghauri, P., Gronhaug, K., and Kristianslund, I. (1995). *Research methods in business studies: a practical guide*. London: Prentice Hall.
- Giménez, V.M., and Prior, D. (2007). Long- and Short-Term Cost Efficiency Frontier Evaluation: Evidence from Spanish Local Governments. *Fiscal Studies*,28:1,121-139.
- Hansen, J.R., and Høst, V. (2012). Understanding the relationships between decentralized organizational decision structure, job context, and job satisfaction—A survey of Danish public managers. *Review of Public Personnel Administration*,32:3,288-308.
- Herrenkohl, R.C., Judson, G.T., and Heffner, J.A. (1999). Defining and measuring employee empowerment. *The Journal of Applied Behavioral Science*,35:3,373-389.
- Hon, A.H., and Rensvold, R.B. (2006). An interactional perspective on perceived empowerment: the role of personal needs and task context. *The International Journal of Human Resource Management*,17:5,959-982.
- Houston, D.J. (2000). Public-service motivation: A multivariate test. *Journal of Public Administration Research and Theory*,713-727.
- Huang, T.C. (2000). Are the human resource practices of effective firms distinctly different from those of poorly performing ones? Evidence from Taiwanese enterprises. *International Journal of Human Resource Management*,11:2,436-451.

- Ihrke, D., Proctor, R., and Gabris, J. (2003). Understanding Innovation in Municipal Government: City Council Member Perspectives. *Journal of Urban Affairs*,25:1,79–90.
- Ingraham, P.W., Joyce, P.G., and Donahue, A.K. (2003). *Government performance: Why management matters*. Baltimore: Johns Hopkins University Press.
- Jensen, J.M., Patel, P.C., and Messersmith, J.G. (2013). High-Performance Work Systems and Job Control: Consequences for Anxiety, Role Overload, and Turnover Intentions. *Journal of Management*, 39:6,1699-1724.
- Jiang, K., Lepak, D.P., Hu, J., and Baer, J.C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of management Journal*,55:6,1264-1294.
- Jung, D.I., and Sosik, J.J. (2002). Transformational leadership in work groups: The role of empowerment, cohesiveness, and collective-efficacy on perceived group performance. *Small group research*,33:3,313-336.
- Kanter, R.M. (1983). *The change masters: Innovation and entrepreneurship in the American corporation*. New York: Simon & Schuster.
- [Kanter, R.M. \(1977\). *Men and Women of the Corporation*. New York: Basic Books.](#)
- Kazlauskaitė, R., Buciuniene, I., and Turauskas, L. (2011). Organisational and psychological empowerment in the HRM-performance linkage. *Employee Relations*,34:2,138-158.
- Kim, S., and Wright, B.E. (2007). IT employee work exhaustion toward an integrated model of antecedents and consequences. *Review of Public Personnel Administration*,27:2,147-170.
- Koberg, C.S., Boss, R.W., Senjem, J.C., and Goodman, E.A. (1999). Antecedents and outcomes of empowerment - Empirical evidence from the health care industry. *Group & Organization Management*,24:1,71–91.
- Laschinger, H.K.S., Finegan, J., Shamian, J., and Wilk, P. (2001). Impact of structural and psychological empowerment on job strain in nursing work setting. *The Journal of Nursing Administration*,31:5,260–272.
- Laschinger, H.K.S., Finegan, J.E., Shamian, J., and Wilk, P. (2004). A longitudinal analysis of the impact of workplace empowerment on work satisfaction. *Journal of Organizational Behavior*,5:4,527-545.
- Lawler, E., Mohrman, S., and Benson, G. (2001). *Organizing for high-performance: Employee involvement, TQM, reengineering, and knowledge management in the Fortune 1000*, San Francisco, CA: Jossey-Bass.

- Lee, H., Cayer, N.J., and Lan, G.Z. (2006). Changing federal government employee attitudes since the Civil Service Reform Act of 1978. *Review of Public Personnel Administration*, 26:1,21-51.
- Leeuw, F.L. (1996). Performance auditing, new public management and performance improvement: questions and answers. *Accounting, Auditing & Accountability Journal*, 9:2,92-102.
- Lepak, D.P., and Snell, S.A. (2002). Examining the human resource architecture: The relationships among human capital, employment, and human resource configurations. *Journal of Management*, 28, 517–543.
- Ley 7/2007, de 12 de abril, del Estatuto Básico del Empleado Público (EBEP). *Boletín Oficial del Estado*, Spain, 13 de abril de 2007,89,16270-16299.
- Li, N., Chiaburu, D.S., and Kirkman, B.L. (2017). Cross-level influences of empowering leadership on citizenship behavior: Organizational support climate as a double-edged sword. *Journal of Management*, 43:4,1076-1102.
- Liao, H., Toya, K., Lepak, D.P., and Hong, Y. (2009). Do they see eye to eye? Management and employee perspectives of high-performance work systems and influence processes on service quality. *Journal of Applied Psychology*, 94:2,371-391.
- Lockwood, B., and Porcelli, F. (2013). Incentive schemes for local government: Theory and evidence from comprehensive performance assessment in England. *American Economic Journal: Economic Policy*, 5:3,254-86.
- Logan, M.S., and Ganster, D.C. (2007). The effects of empowerment on attitudes and performance: The role of social support and empowerment beliefs. *Journal of Management Studies*, 44:8,1523-1550.
- Mathieu, J.E. and Chen, G. (2010). The etiology of the multilevel paradigm in management research. *Journal of Management*, 37:610-641.
- Matthews, R.A., Diaz, W., and Cole, S.G. (2003). The organizational empowerment scale. *Personnel Review*, 32:3,297-318.
- Maynard, M.T., Gilson, L.L., and Mathieu, J.E. (2012). Empowerment – Fad or Fab? A Multilevel Review of the Past Two Decades Research. *Journal of Management*, 38:4,1231-1281.
- Maynard, M.T., Luciano, M.M., D’Innocenzo, L., Mathieu, J.E., and Dean, M.D. (2014). Modeling time-lagged reciprocal psychological empowerment–performance relationships. *Journal of Applied Psychology*, 99:6,1244-1253.

- McCracken, M.J., McIlwain, T.F., and Fottler M. D. (2001). Measuring organizational performance in the hospital industry: An exploratory comparison of objective and subjective methods. *Health Services Management Research* ,14:211–19.
- Mostafa, A.M.S., Gould-Williams, J.S., and Bottomley, P. (2015). High-Performance Human Resource Practices and Employee Outcomes: The Mediating Role of Public Service Motivation. *Public Administration Review*, 75:5,747-757.
- Muthén, L.K., and Muthén, B.O. (1998-2012). *Mplus User's guide*. Seventh Edition. Los Angeles, CA: Muthén and Muthén.
- Muthén, B.O., and Satorra, A. (1995). Complex sample data in structural equation modeling. *Sociological methodology*,267-316.
- Naghavi, M., Mohamad, Z., and Sambasivan, M. (2012). The Mediating Role of Organizational Innovation on the Relationship between Knowledge Management Processes and Organizational Performance in the Public Sector. *Knowledge Management International Conference*, July 2012
- Nicholson-Crotty, S., Nicholson-Crotty, J., and Fernandez, S. (2017). Performance and Management in the Public Sector: Testing a Model of Relative Risk Aversion. *Public Administration Review* doi:10.1111/puar.12619
- Nielsen, K. (2013). Review article: How can we make organizational interventions work? Employees and line managers as actively crafting interventions. *Human Relations*,66:8,1029-1050.
- Nishii, L.H., and Wright, P.M. (2008). Variability within organizations: implications for strategic human resources management, in D. B. Smith (ed.), *The People Make the Place: Dynamic Linkages between Individuals and Organizations*. New York: Lawrence Erlbaum Associates.
- Osterman, P. (1987). Choice of employment systems in internal labor markets. *Industrial Relations*, 26, 46–67.
- Ostroff, C., and Bowen D.E. (2000). Moving human resource to a higher level: Human resource practices and organizational effectiveness, in K.J. Klein and S.W.J. Kozlowski (eds.), *Multilevel Theory, Research, and Methods in Organizations*, San Francisco: Jossey-Bass.
- Patterson, M.G., West, M.A., and Wall, T.D. (2004). Integrated manufacturing, empowerment, and company performance. *Journal of Organizational Behavior*,25:5,641-665.

- Peccei, R., and Van De Voorde, K. (2016). The Application of the Multilevel Paradigm in Human Resource Management—Outcomes Research: Taking Stock and Going Forward. *Journal of Management*, 0149206316673720.
- Perry, J.L. (2000). Bringing society in: Toward a theory of public-service motivation. *Journal of public administration research and theory*, 10:2,471-488.
- Perry, J.L., and Wise, L.R. (1990). The motivational bases of the Public Service. *Public Administration Review*, 50:3,367-373.
- Perry, J.L., Hondeghem, A., and Wise, L.R. (2010). Revisiting the motivational bases of public service: Twenty years of research and an agenda for the future. *Public Administration Review*, 70:5,681-690.
- Petter, J., Byrnes, P., Choi, D.L., Fegan, F., and Miller, R. (2002). Dimensions and patterns in employee empowerment: Assessing what matters to street-level bureaucrats. *Journal of Public Administration Research and Theory*, 377-400.
- Piening, E.P., Baluch, A.M., and Salge, T.O. (2013). The relationship between employees' perceptions of human resource systems and organizational performance: Examining mediating mechanisms and temporal dynamics. *Journal of Applied Psychology*, 98:6,926.
- Pina, V., Torres, L., and Yetano, A. (2011). The Implementation of Strategic Management In Local Governments. An International Delphi Study. *Public Administration Quarterly*, 551-590.
- Pitts D.W. (2005). Leadership, Empowerment, and Public Organizations. *Review of Public Personnel Administration*, 25:1,5-28.
- Poister, T.H., and Streib, G. (2005). Elements of Strategic Planning and Management in Municipal Government: Status after two Decades. *Public Administration Review*, 65:1,45-56.
- Pollitt, C. (2001). Convergence: the useful myth? *Public Administration*, 79:4,933–947.
- Preacher, K.J., Zyphur, M.J., and Zhang, Z. (2010). A general multilevel SEM framework for assessing multilevel mediation. *Psychological methods*, 15:3,209.
- Raudenbush, S.W., and Bryk, A.S. (2002). *Hierarchical linear models: Applications and data analysis methods*. Thousand Oaks, CA: Sage.
- Roche, W.K. (1999). In Search of Commitment-Oriented Human Resource Management Practices and the Conditions that Sustain Them. *Journal of Management Studies*, 36:5,653-678.

- Rousseau, D.M. (1985). Issues of level in organizational research: Multi-level and cross-level perspectives. *Research in organizational behavior*,7:1,1-37.
- Ryan, R.M., Kuhl, J., and Deci, E.L. (1997). Nature and autonomy: Organizational view of social and neurobiological aspects of self-regulation in behavior and development. *Development and Psychopathology*, 9,701–728.
- Schneider, B., Hanges, P.J., Smith, D.B., and Salvaggio, A.N. (2003). Which comes first: employee attitudes or organizational financial and market performance?. *Journal of applied psychology*, 88:5,836-851.
- Scotti, D.J., Harmon, J., and Behson, S.J. (2007). Links among High-Performance Work Environment, Service Quality and Customer Satisfaction: An Extension to the Healthcare Sector. *Journal of Healthcare Management*, 52:2,109–125.
- Seibert, S.E., Silver, S.R., and Randolph, W.A. (2004). Taking Empowerment to the Next Level: a Multiple-Level Model of Empowerment, Performance, and Satisfaction. *Academy of Management Journal*,47:3,332–349
- Seibert, S.E., Wang, G., and Courtright, S.H. (2011). Antecedents and Consequences of Psychological and Team Empowerment in Organizations: A Meta-Analytic Review. *Journal of Applied Psychology*,96:5,981-1003.
- Serna, M.S. (2008). Nuevas tendencias en gestión de recursos humanos en las Administraciones públicas:¿están cambiando las reglas del juego?. *Revista internacional de organizaciones*,1,109-127.
- Shapira-Lishchinsky, O., and Tsemach, S. (2014). Psychological empowerment as a mediator between teachers’ perceptions of authentic leadership and their withdrawal and citizenship behaviors. *Educational Administration Quarterly*, 50:4,675-712.
- Sharma, M., and Kaur, G. (2011). Workplace empowerment and organizational effectiveness: an empirical investigation of Indian banking sector. *Academy of Banking Studies Journal*,10:2,105.
- Shen, J. (2016). Principles and applications of multilevel modeling in human resource management research. *Human Resource Management*,55:6,951-965.
- Siegall, M., and Gardner, S. (2000). Contextual factors of psychological empowerment. *Personnel Review*,29:6,703-722.
- Smith, L., Andrusyszyn, M.A., and Laschinger, H.K. (2010). Effects of workplace incivility and empowerment on newly-graduated nurses’ organizational commitment. *Journal of nursing management*, 18:8,1004-1015.

- Smith, T., Capitulo, K.L., QUINN GRIFFIN, M.T., and Fitzpatrick, J.J. (2012). Structural empowerment and anticipated turnover among behavioural health nurses. *Journal of nursing management*,20:5,679-684.
- Spreitzer, G.M. (1995). Psychological empowerment in the workplace: dimensions, measurement, and validation. *Academy of Management Journal*,38:5,1442-1465.
- Spreitzer, G.M. (1996). Social structural characteristics of psychological empowerment. *Academy of management journal*,39:2,483-504.
- Spreitzer, G.M. (2008). Taking stock: A review of more than twenty years of research on empowerment at work. In J. Barling and C. L. Cooper (Eds.), *Handbook of organizational behavior* (pp. 54–72). Thousand Oaks, CA: Sage.
- Spreitzer, G.M., Kizilos, M.A., and Nason, S.W. (1997). A dimensional analysis of the relationship between psychological empowerment and effectiveness, satisfaction, and strain. *Journal of Management*,23:5,679–704.
- Stanton, P., and Manning, K. (2013). ‘High performance work systems, performance management and employee participation in the public sector’, in R.J. Burke, A.J. Noblet and C.L. Cooper (eds), *Human Resource Management in the Public Sector*. Cheltenham, UK; Northampton, MA: Ed. Edward Elgar.
- Taylor, J. (2013). Goal setting in the Australian public service: Effects on psychological empowerment and organizational citizenship behavior. *Public Administration Review*,73:3,453-464.
- Thomas, K.W., and Velthouse, B.A. (1990). Cognitive Elements of Empowerment - an Interpretive Model of Intrinsic Task Motivation. *Academy of Management Review*,15:4,666–681
- Tims, M., and Bakker, A.B. (2010). Job crafting: Towards a new model of individual job redesign. *South African Journal of Industrial Psychology*,36,1-9
- Torres, L., Pina, V., and Yetano, A. (2011). Performance measurement in Spanish local governments. A cross-case comparison study. *Public administration*, 89:3,1081-1109.
- Van De Voorde, K., Paauwe, J., and Van Veldhoven, M. (2012). Employee well-being and the HRM–organizational performance relationship:a review of quantitative studies. *International Journal of Management Reviews*, 14:4,391-407.
- Van Loon, N.M. (2017). Does context matter for the type of performance-related behavior of public service motivated employees? *Review of public personnel administration*, 37:4,405–429.

- Vandenabeele, W., Depré, R., Hondeghem, A., and Yan, S. (2005). The motivational patterns of civil servants. *Viesoji politika ir administravimas*,13.
- Vermeeren, B., Kuipers, B., and Steijn, B. (2011). Two faces of the satisfaction mirror: a study of work environment, job satisfaction, and customer satisfaction in Dutch municipalities. *Review of public personnel administration*,31:2,171-189.
- Walker, R.M., and Boyne, G.A. (2006). Public management reform and organizational performance:An empirical assessment of the UK Labour government's public service improvement strategy. *Journal of Policy Analysis and Management*,25:2,371-393.
- Wallace, J.V., Johnson, P.D., Mathe, K., and Paul, J. (2011). Structural and Psychological Empowerment Climates, Performance, and the Moderating Role of Shared Felt Accountability: A Managerial Perspective. *Journal of Applied Psychology*,96:4,840-850.
- Wrzesniewski, A., and Dutton, J.E. (2001). Crafting a job: Revisioning employees as active crafters of their work. *Academy of management review*,26:2,79-201.

Appendix

- Structural Empowerment (manager's questionnaire)

Please, following the scale below indicate what corresponds in each block of questions:

- 1 = None (0 %)
- 2 = Almost none (1-20 %)
- 3 = Some (21-40 %)
- 4 = About half (41-60 %)
- 5 = Most (61-80 %)
- 6 = Almost all (81-99 %)
- 7 = All (100 %)

INFORMATION SHARING. Please indicate how many employees of your city council are routinely provided with the following types of information:

1- Information about the local government's performance.	
2- Information about their unit's performance.	
3- Advance information on new technologies that may affect them.	
4- Information on local government plans/goals.	
5- Information on other local governments' performance.	

REWARDS. Please indicate how many employees of your city council are covered by each of these remuneration or reward systems:

6- Bonus for achieving individual goals	
7- Bonus for achieving group goals	

KNOWLEDGE AND TRAINING. Please indicate how many employees of your city council have received, in the last three years, systematic and programmed training on the following topics:

8- Group decision-making/problem-solving skills.	
9- Leadership skills.	
10- Skills in understanding public administration and local government.	
11- Quality/statistical analysis skills.	
12- Team building skills	
13- Job skills training.	
14- Cross-training skills other than those required for the job.	
15- Skills in using information technology and computers.	

POWER TO MAKE DECISIONS. Please indicate how many employees of your city council are currently participating in each of the following programs:

16- Survey feedback.	
17- Job enrichment.	
18- Quality circles.	
19- Employee participation groups other than quality circles.	
20- Union-management quality of work committees.	
21- Self-managing work teams.	
22- Employee committees on local government policy and/or strategy.	

- **Psychological Empowerment (employees' questionnaire)**

Please, following this scale, indicate the degree to which you agree or disagree with these issues:

- 1 = Strongly disagree
- 2 = Mostly disagree
- 3 = Slightly disagree
- 4 = Indifferent
- 5 = Slightly agree
- 6 = Mostly agree
- 7 = Strongly agree

MEANING:

1- The work I do is very important to me.	
2- My job activities are personally meaningful to me.	
3- The work I do is meaningful to me.	

COMPETENCE:

4- I am confident about my ability to do my job.	
5- I am self-assured about my capabilities to perform my work activities.	
6- I have mastered the skills necessary for my job.	

SELF-DETERMINATION:

7- I have significant autonomy in determining how I do my job.	
8- I can decide on my own how to go about doing my work.	
9- I have considerable opportunity for independence and freedom in how I do my job.	

IMPACT:

10. My impact on what happens in my department is large.	
11. I have a great deal of control over what happens in my department.	
12. I have significant influence over what happens in my department.	

- **Organizational Performance (manager's questionnaire)**

Please indicate for these aspects the quartile (1, 2, 3 or 4) in which your organization is located compared to others, being 1=the bottom and 4=the top:

OUTPUT AND EFFICIENCY

1- Quality (e.g. how quickly/responsive your services are delivered)	
2- Value for money	
3- Efficiency (e.g. cost per unit of service delivery)	
4- Staff satisfaction	

RESPONSIVENESS

5- Citizen satisfaction	
-------------------------	--

SERVICE OUTCOMES

6- Effectiveness (e.g. whether your objectives were achieved)	
7- Equity (e.g. how fairly your services are distributed amongst citizens)	
8- Promoting the social, economic, and environmental well-being of local people.	