

## EMPLOYEE EMPOWERMENT AND ITS PERFORMANCE IN EMERGING ECONOMY: MEDIATING ROLE OF PSYCHOLOGICAL CAPITAL

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### Abstract

The study aims to examine the mediating role of psychological capital between employee empowerment and its performance in an emerging economy like Bangladesh. A structured questionnaire has been distributed among employees serving in different public and private organizations in Bangladesh. Data collected from 385 respondents are analyzed with Partial Least Square Structural Equation Modeling (PLS-SEM) to test hypothetical relationships among the latent constructs. The results showed that both structural and psychological empowerment positively influence employee performance. The psychological capital which presents a significant positive influence on performance, also mediates the positive relationship between both empowerment (structural and psychological) and employee performance. The study pioneered in establishing psychological capital as a mediator between empowerment and employee performance in a developing economy context like Bangladesh. The results would provide valuable insights for the organization in designing human resource policies and training programs that will empower employees which leads to improved psychological capital and subsequently enhance their performance.

**Keywords:** employee empowerment, structural empowerment, psychological empowerment, psychological capital, employee performance

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## 1. INTRODUCTION

The company always want to get higher employee performance such as higher productivity, more job satisfaction, higher organizational citizenship behavior and motivation, lower turnover, absenteeism and deviant work place behaviour by using monetary or non-monetary incentives. Otherwise, these poor job performance behaviours have resulted in customer dissatisfaction, loss of clients, poor patronage and loss of business investment capital. Employee empowerment is such a non-monetary incentives, as defined by management theorists, which not only encourages employees but also the management to maximize the utilization of their skills and expertise (Cacioppe, 1998). Employee empowerment supports creativity, improves work-life balance, fosters teamwork, and improves overall productivity within the business (Fernandez & Moldogaziev, 2013). Additionally Psychological capital is an essential factor that connects empowerment and employee performance by rising self-efficacy, optimism, hope, and resilience (Astuti & Amalia, 2021). It has been revealed that psychological capital increased involvement, motivation, and creativity thus improves employee performance (Luthans et al., 2015).

The existing literature shows the significance of psychological capital in mediating the association among various organizational factors and employee outcomes (Baig et al., 2019; Dalain, 2021; Islam et al., 2022). Additionally, psychological capital has been shown to have a substantial impact on several facets of employee performance and well-being. Various research has revealed positive correlation between psychological capital

and job achievement (Jiao et al., 2022). Psychological empowerment and structural empowerment which are the part of employee empowerment, is strongly connected to psychological capital and has resulted in employee happiness, commitment, low turnover intentions, and productivity (Ali et al., 2022; Dalain, 2021; Islam et al., 2022). Besides this employee involvement transform business into digital business (Hooi & Chan, 2023; Ullrich et al., 2023).

The existing literature provides valuable insights into the relationships between psychological capital, psychological empowerment, and employee outcomes. However, there is a research gap in understanding the mediating role of psychological capital between employee structural empowerment and employee performance. Moreover, there is a gap in understanding how psychological capital mediates the role of employee empowerment on employee performance in a developing country context like Bangladesh. Therefore, there is a need for empirical research that directly addresses this gap to enhance our understanding of the mechanisms through which employee empowerment influences employee performance in the organizations of Bangladesh. The research questions are generated on the basis of research purposes:

**RQ1:** What is the relationship between employee empowerment and employee performance in the context of an emerging country like Bangladesh?

**RQ2:** How does psychological capital mediate the relationship between employee empowerment and employee performance in Bangladesh?

This paper first presents literature review, research methodology. The analysis of the hypotheses, findings, discussions, and conclusions are arranged respectively.

Lastly, the implications of the study and suggestions for future studies are presented.

## 2. LITERATURE REVIEW

Many scholars find the relationship between structural empowerment and job performance (Al-Hammouri et al., 2021). Besides, here is a relationship between psychological empowerment and job performance as found by different scholars (Cudjoe et al., 2023). There is some literature where both structural and psychological empowerment are taken to determine job performance. Xu et al. (2022) found that psychological capital is a quantifiable, cultivable, and beneficial psychological capacity that may enhance work performance. Ngwenya and Pelser (2020) emphasized the significance of assessing the impact of psychological capital on employee engagement, job satisfaction, and performance in developing nations. It also highlights the role psychological capital plays in maximizing workers' competencies and potential. Furthermore, several research projects have investigated the influence of empowerment on both employee satisfaction and quality of service within the banking sector of Bangladesh (Islam et al., 2022). Nevertheless, there is a need for research that specifically examines the mediating influence of psychological capital in the correlation between employee empowerment (both structural and psychological) and employee performance in the context of Bangladesh.

### 2.1. Theory Discussion

The researcher builds a conceptual framework based on different theories such

as Kanter's Theory of Structural Empowerment (Kanter, 2008), Self-Determination Theory (SDT) (Deci et al., 1989) and Job Demand Resource (JD-R) theory (Bakker & Demerouti, 2014). Kanter's Theory of Structural Empowerment posits that structural empowerment, which includes formal and informal power, as well as access to opportunities, information, support, and resources, is thought to have a big impact on how workers feel about their power and how they act. The notion of Empowerment Theory suggests that when individuals have a sense of empowerment in their employment, they are more inclined to display heightened motivation, job satisfaction, and dedication to their work. Psychological capital, which includes positive psychological resources such as self-efficacy and optimism, is strongly aligned with SDT's framework. This framework provides an understanding of how empowerment, by meeting individuals' desires for autonomy and competence, leads to the development of psychological capital, which in turn improves employee performance. The Job Demands-Resources (JD-R) theory delivers a comprehensive model to understand the relationship between job demands, job resources, employee empowerment, and employee performance.

### 2.2. Hypotheses Development

#### 2.2.1. *Structural empowerment and employee performance*

Structural empowerment refers to certain workplace practices and rules that facilitate workers' access to opportunities, knowledge, assistance, and resources (Bluedorn & Kanter, 1980). According to Dahou and

Hacini, (2018) structural empowerment refers to the set of policies, processes, and organizational structures that provide workers the autonomy to make choices and exercise influence over their job. Study has shown that enhancing the structural empowerment of employees has a substantial positive impact on several dimensions of employee performance, including loyalty, task performance, and organizational citizenship behavior (Wardani & Dewi, 2022). Furthermore, it has been found that structural empowerment is related with increased worker satisfaction, which positively influences worker loyalty and task performance (Yao et al., 2013). A methodical assessment by Wagner et al., (2010) demonstrated that positive outcomes at work, like higher satisfaction, are the consequence of psychological empowerment, which is derived from structural empowerment. This result is supported by the research of Afram et al. (2022) who examined the influence of employee empowerment on organizational performance and discovered evidence that supports a beneficial effect of structural empowerment on organizational performance. The study primarily examines organizational success, but its findings also provide light on the influence of empowerment on individual employee performance.

Furthermore, the impact of structural empowerment extends to various industries and work settings, such as remote work environments, where it has been suggested that a supportive environment created by managers can lead to employee empowerment (Staniulienė & Zaveckis, 2022). Additionally, in the healthcare sector, structural empowerment has been found to influence nurses speak-up behavior,

indicating its relevance and impact in different professional domains (Gencer & Duygulu, 2023). This highlights the importance of structural empowerment in shaping employee performance. Given the crucial importance of empowered workers in attaining organizational goals, it is necessary to carefully analyze the connection between employee structural empowerment and employee performance. As a result, the subsequent hypothesis arises:

**H1: Employee Structural Empowerment (SE) positively influences employee performance (EP).**

### **2.2.2. Psychological empowerment and employee performance**

Psychological empowerment is all about making employees feel confident in their abilities. It's a process that ensures everyone feels empowered and capable within their roles (Conger & Kanungo, 1988). Thomas and Velthouse (1990) provided a more comprehensive definition of psychological empowerment as heightened intrinsic task motivation comprised of four concepts—meaning, competence, self-determination, and impact—that symbolize an individual's outlook on their occupation. Since empowered workers have an active attitude to their work, psychological empowerment experiences among employees can be related to a number of constructive work performances. Furthermore, individuals who demonstrate self-determination and the capacity to complete tasks, who exert more effort, and who never give up on solving issues, are likely to be more active in their job (JH Coun et al., 2022). Psychological empowerment is acknowledged as a substantial determinant of many actions in corporate settings, including creative

behavior (Javed et al., 2018), favorable outcomes, such as work productivity (Ochoa Pacheco & Coello-Montecel, 2023); and optimistic mindsets, such as contentment with one's employment ibid dedication and devotion (Mathew & Nair, 2022). However, it was discovered that although psychological empowerment may strengthen the commitment of organizations and increase the job satisfaction of their employees, the extent to which it affects job performance is not readily apparent (Gao et al., 2023). Furthermore, Fan et al. (2023) emphasized that psychological empowerment can affect employees' perceived well-being and work performance. Additionally, Adri et al. (2022) emphasized that psychological empowerment provides confidence and encouragement to individual employees in performing their jobs, further underlining its impact on employee performance. These findings emphasize the importance of fostering psychological empowerment as a strategy to enhance both employee performance and organizational success. Consequently, the following hypothesis is proposed:

**H2:** *Employee Psychological empowerment (PE) positively influences employee performance (EP).*

### **2.2.3. Psychological capital and employee performance**

Luthans et al. (2015) explained that psychological capital represents an individual's positive psychological state, marked by: (1) Possessing confidence and a strong will to take on and finish difficult tasks (self-efficacy); (2) Keeping a positive attitude about present and future achievements (optimism); (3) Pursuing objectives with determination and making

necessary adjustments to attain success (hope); and (4) Successfully conquering obstacles, recovering from setbacks, and even surpassing them (resilience) to achieve success. During the pandemic, psychological capital has been identified as one of the factors affecting teachers' work life (Sherief & Rehman, 2022). Positivity in psychological growth is known as psychological capital which has been extensively studied in various organizational contexts. The literature has consistently demonstrated the significant impact of psychological capital on employee engagement, job satisfaction, performance, and innovative behavior (Peng et al., 2022; Yuan et al., 2023). Peterson et al. (2011) demonstrated the conceptual and empirical relationship between psychological capital and employee performance, emphasizing its positive core construct. Furthermore, AlMulhim (2023) highlighted the critical role of psychological capital in motivating employees to be optimistic and strategically solve challenges, especially in the context of an innovative organizational culture. These findings collectively underscore the significant influence of psychological capital on various aspects of employee performance. As a result, the following hypothesis is formulated:

**H3:** *Psychological capital (PC) positively influences employee performance (EP).*

### **2.2.4. Mediating role of psychological capital**

Toxic work environments may be effectively addressed by using psychological capital, which can simultaneously encourage positive work outcomes like enhanced job performance, dedication, and engagement and mitigate negativity (Sarkar et al., 2023).

By acting as a mediator, psychological capital helps people to better handle stress, anticipate success, bounce back from failures, and approach obstacles with a more optimistic perspective, all of which lessen the negative effects of unexpected events (Du et al., 2023). Zu et al. (2021) explored the function of psychological capital in mediating the relationship between achievement motivation and work accomplishment. This study makes substantial contributions to the comprehension of how psychological capital serves as a mediator in the relationship between employee structural empowerment and performance. investigated how employee empowerment, which encompasses both structural and psychological empowerment, influences organizational performance. Additionally, both structural empowerment and psychological empowerment have been identified as partial mediators in the relationship between transformational leadership style and individual creativity (Mansur & Jia, 2019). It has been found that psychological empowerment can enhance psychological capital (Ma et al., 2021). Additionally, there is a positive and significant relationship between psychological capital and its dimensions with psychological empowerment (Haji et al., 2020). In the context of innovative work behavior, it has been investigated whether career satisfaction mediates between structural and psychological empowerment and innovative work behavior (Aggarwal et al., 2020). By applying these observations, it is possible to develop the subsequent hypothesis concerning the mediating role of psychological capital:

**H4:** *Psychological capital (PC) mediates the positive relationship between employee*

*structural empowerment (SE) and employee performance (EP).*

**H5:** *Psychological capital (PC) mediates the positive relationship between employee psychological empowerment (PE) and employee performance (EP).*

### 2.3. Research Framework

Employee performance has been described as the extent to which an individual employee's level of productivity fulfills the firm's performance standards (Al-kharabsheh et al., 2023). Several studies have investigated the relationship between various factors such as empowerment, motivation, job satisfaction, and leadership on employee performance (Zaman & Zulganef, 2023). Furthermore, an examination of the relationship between motivation and job performance has highlighted the critical role that worker performance plays in the organization's success (Hemakumara, 2020). The performance appraisal system remains a challenge for managers and employees due to psychological and behavioral factors (Ranga & Kamboj, 2018). Leadership style, motivation, work discipline, and employee performance have been found to be interrelated (Hermina & Yosepha, 2019). Mostly, researchers focus on the impact of psychological empowerment on employee performance (Yao et al., 2013; Fan et al., 2023). For instance, psychological empowerment has been found to be positively correlated with employee work performance, with its dimensions significantly related to task performance. Additionally, studies have indicated a positive correlation between structural empowerment and job satisfaction, indicating its impact on organizational

outcomes (Yao et al., 2013). It has been examined how organizational citizenship behavior influences employee performance by acting as a mediator between psychological empowerment and competence, highlighting its significance in influencing employee performance (Wardani & Dewi, 2022).

### 3. RESEARCH METHODOLOGY

#### 3.1. Questionnaire Development

The survey questionnaire contained two sections that is shown in appendix A. First section gathered the demographics information of the respondents. The second section includes items measuring the latent constructs for testing hypotheses where structural empowerment was measured by adopting 8 items from Laschinger et al. (2001). Psychological empowerment was measured by adopting 7 items from Spreitzer (1995), psychological capital was measured by adopting 7 items from Luthans et al.

(2007) and employee performance was measured by adopting 8 items from the self-rating measure developed by Mahoney et al. (1965). All items were rated on a 5-Point Likert-like scale from strongly agree to strongly disagree. Two academicians and ten managers in organization pretested the survey questionnaire to confirm the validity. Then the author had made major modification to the questionnaire based on the findings of pilot testing and lastly made the questionnaire on the context of Bangladesh.

#### 3.2. Sampling and Data collection Technique

This study applied a non-probability convenience sampling method to select sampled populations for data collection. Under this sampling technique, questionnaires are being distributed among 500 respondents, who are the employee from private and public organization and available and easily accessible over email or social media. Most responses were collected from

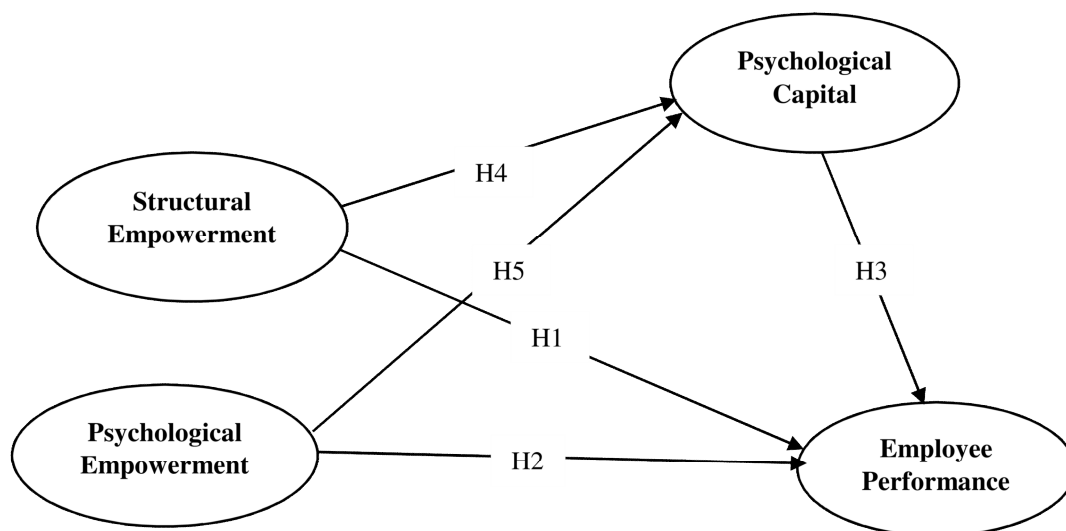


Figure 1. Research Framework

the managers within-depth knowledge of their performances. The questionnaire was distributed along with a cover letter describing the paper's objectives and assure the respondents that their responses would be used for only academia purposes. A total of 405 completed their responses, indicating 81% response rate, and 385 responses were used to further analysis. A total of 20 responses were deleted from the analysis because their standard deviation is below 0.50. As to sample adequacy, the 200-sample size is considered fair, and 300 deem to be suitable for statistical analysis using modelling of structural equations (SEM). It is noted that the sample size of 385 is more than sufficient that of endogenous variable-directed arrows and is, therefore, so suitable for PLS research. The data for this study were obtained between August 2023 and January 2024.

### 3.3. Data Analysis Technique

Two types of statistical tools have been applied to analyse the collected data. The Statistical Package for Social Sciences (SPSS25) was used to generate descriptive

statistics and prepare the data for subsequent analysis. SmartPLS4 has been used to generate outcomes for both the measurement and structural models. The study utilized partial least square structural equation modelling (PLS-SEM) to examine the importance of the hypothesized link outlined in the conceptual framework, while also conducting necessary validity tests. Structural Equation Modelling (SEM) clarifies the connections between the variables under consideration (Hair et al., 2014). This paper first evaluated the measurement model (validity and measurement reliability) and then looked at the structural model (testing hypothesized relationships).

## 4. RESULTS AND DISCUSSION

### 4.1. Demographic Information

Table-1 represents demographic characteristics of the respondents of the study. The aforementioned factors included gender, age, education level, level of management and work experience.

*Table 1. Demographic Profile of the Respondents*

Variable		Frequency N=385	Percent (%)
Gender	Female	40	10.4
	Male	345	89.6
Age	30-39	125	32.5
	40-45	136	35.3
	45-49	106	27.5
	50 and above	18	4.7
Educational Level	Graduation	152	39.5
	Post-Graduation	211	54.8
	Post-Graduation with other degrees (MPhil/PhD/CA/CMA etc.)	22	5.7
Level of Management	Operation Level	124	32.2
	Mid-Level	214	55.6
	Top Level	47	12.2
Work Experience	1-5 years	131	34.0
	6-10 years	77	20.0
	10 or more years	177	46.0



## 4.2. Measurement Model

This study uses the measurement model to assess internal reliability, convergent validity, and discriminant validity. Internal reliability for the constructs assesses both Cronbach's alpha (CA) value and composite reliability (CR) value. A value of 0.70 is deemed appropriate for both CA and CR suggested by Hair et al. (2014). Additionally, the study consider item loadings and average variance extracted (AVE) as a measure of convergent validity. Hair et al. (2014) suggested that AVE value equal to or greater than 0.50 is considered acceptable. The loading values including CA, CR, and AVE results are viewed in Table 2. The range of CA values observed in the study was within the range of 0.783 to 0.891. Similarly, the

Cronbach's alpha values ranged from 0.852 to 0.914. The findings suggest that the constructs had a high level of internal dependability. Nevertheless, the AVE (Average Variance Extracted) values reached between 0.536 and 0.619. According to Chew et al. (2019) variables with factor loadings below 0.7 should be avoided, unless they are necessary for ensuring the validity of the contents. The items SE1, SE7, SE8, PE3, PE4 and EP8 were excluded from the model due to their low loading score or to ensure that the Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) scores meet the necessary criteria for further analysis. Therefore, the model demonstrated convergent validity.

*Table 2. Item loading, Convergent Validity and Reliability*

Constructs	Item	Loading Value	CA	CR	AVE
Employee Performance (EP)	EP1	0.786	0.891	0.914	0.605
	EP2	0.816			
	EP3	0.792			
	EP4	0.803			
	EP5	0.785			
	EP6	0.713			
	EP7	0.742			
Psychological Capital (PC)	PC1	0.777	0.862	0.894	0.547
	PC2	0.784			
	PC3	0.712			
	PC4	0.756			
	PC5	0.705			
	PC6	0.742			
	PC7	0.695			
Psychological Empowerment (PE)	PE1	0.783	0.846	0.890	0.619
	PE2	0.806			
	PE5	0.741			
	PE6	0.802			
	PE7	0.801			
Structural Empowerment (SE)	SE2	0.695	0.783	0.852	0.536
	SE3	0.761			
	SE4	0.723			
	SE5	0.723			
	SE6	0.754			

### 4.3. Structural Model

Table 3 displays the findings of all the direct paths, including their coefficient value ( $\beta$ ), t-statistics, and p-values for each unique route. If the p value is below 0.05, it is considered statistically significant and accepted. In this study, SE (H1: SE  $\rightarrow$  EP,  $\beta=0.137$ , SD= 0.046,  $t=2.951$  and  $p=0.003$ ) positively influences the EP and result is significant at level  $p<0.01$ . Similarly, PE (H2: PE  $\rightarrow$  EP,  $\beta=0.282$ , SD=0.053,  $t=5.283$  and  $p=0.000$ ) positively impacts EP. PC (H3: PC  $\rightarrow$  EP,  $\beta=0.477$  SD= 0.051,  $t=9.287$  and  $p=0.000$ ) positively impacts EP. Table 5 also shows the findings of H4 (SE  $\rightarrow$  PC  $\rightarrow$  EP,  $\beta=0.154$  SD = 0.029,  $t=5.274$  and  $p= 0.000$ ) and H5 (PE  $\rightarrow$  PC  $\rightarrow$  EP,  $\beta=0.251$  SD =0.036,  $t=6.882$  and  $p= 0.000$ ) provides evidence of a mediating impact of PC between SE and EP, and between PE and EP, respectively.

### 4.4. Discussion

The results of H1 suggest that SE has a significant positive effect ( $\beta=0.137$ ,  $p=0.003$ ) on EP that is supported with previous research (Yao et al., 2013; Jafari et al., 2021; Wardani & Dewi, 2022). This suggests that providing employees with

opportunity, resources, support and information leads to improved performance. It has been found that employee SE significantly increases various aspects of EP such as loyalty, task effectiveness and organizational ethical behavior.

The results of H2 underscore a significant and positive relationship ( $\beta=0.282$ ,  $p=0.000$ ) between PE and EP compared to H1. Empirical evidence demonstrates that when employees experience PE, which includes a sense of meaning, control, self-determination, and competence in their work, it substantially enhances their performance within the organizational context (Seibert et al., 2011; Mathew & Nair, 2022; Fan et al., 2023). PE has been linked to knowledge sharing, proactive behavior, and individual performance, indicating its influence on employee behaviors and outcomes (Alhozi et al., 2021; Matsuo et al., 2021).

The strongest direct effect was observed for H3, with PC having a substantially higher impact ( $\beta=0.477$ ,  $p=0$ ) on EP than both SE and PE. This study identifies the important point that workers who have higher score on PC—which includes concepts like hope, effectiveness, resilience, and optimism do always perform better in work environments which is also supported by various studies.

Table 3. Structural Model

Hypotheses	Constructs Relationship	$\beta$	Standard Deviation	T statistics	P values	Decision
H1	SE $\rightarrow$ EP	0.137	0.046	2.951	0.003	Supported
H2	PE $\rightarrow$ EP	0.282	0.053	5.283	0.000	Supported
H3	PC $\rightarrow$ EP	0.477	0.051	9.287	0.000	Supported
<b>Mediating Effect</b>						
H4	SE $\rightarrow$ PC $\rightarrow$ EP	0.154	0.029	5.274	0.000	Supported
H5	PE $\rightarrow$ PC $\rightarrow$ EP	0.251	0.036	6.882	0.000	Supported

Employees' PC is positively related to their performance, satisfaction, and commitment, highlighting the broad impact of psychological capital on employee outcomes (Luthans et al., 2007; Peng et al., 2022). Organizations may achieve significant improvements in performance outcomes by allocating resources toward programs that enhance the PC of their workforce.

H4, proposing that SE partially mediates the relationship between SE and EP through PC ( $\beta=0.154$ ,  $p=0.000$ ) is supported. This suggests that while SE has a direct impact on EP, it also works through its influence on building PCs, ultimately leading to better outcomes. This indicates that including the mediating role of PC provides a more complete picture of the relationships between the variables. Although previous studies have established a relationship between SE and various employee outcomes, the mediation effects of PC between SE and EP have been remained largely unexplored (Zu et al., 2021; Du et al., 2023). The mediation impact of PC between SE and EP is clarified by this study.

The hypothesis H5, which suggests that PC plays a role in partly mediating the link between PE and EP ( $\beta=0.251$  and  $p=0.000$ ), was also confirmed. Based on empirical research, it is highly likely that when employees experience PE, characterized by feelings of meaning, competence, control, self-determination, and impact on their work, it positively influences their development of PC, which in turn positively impacts EP (Ngwenya & Pelser, 2020; Khan et al., 2023).

## 5. IMPLICATION

This study provides researchers, management and HR practitioner new

insight into how employee empowerment influences EP. Findings from this research can help the Bangladeshi organizations to implement strategies that will enhance overall EP. As we found that SE has a positive influence on EP, organizations in Bangladesh should prioritize creating an empowering work environment through SE where employees feel trusted and valued. This means decentralization of decision making by giving employee autonomy over their work which would make them feel responsible and ready to solve problems quickly. Also, when employees have the right information, they can make better choices, leading to better work quality, fewer mistakes, and more profits. This is how Bangladeshi companies can gain competitive advantage through SE. Organizations should invest more in training programs, create a supportive culture, assign impactful task to learn and improve continuously, boosting innovation and productivity. Also, recognizing and rewarding employees for their creativity will motivate them to work harder and come up with new solutions. By making structural empowerment a key part of their strategy, Bangladeshi companies can move away from the old-fashioned ways of doing things and become more flexible and successful.

## 6. CONCLUSION AND FUTURE RESEARCH DIRECTION

This study collectively contributes to the growing body of knowledge on employee empowerment and performance in the specific context of Bangladesh. The practical implications of these insights lie in guiding organizational strategies and human resource practices to create an environment that not

only empowers employees structurally and psychologically but also prioritizes the development of their psychological capital. By recognizing and leveraging these factors, organizations can unlock the true potential of their workforce, fostering a culture of excellence and contributing to the growth and success of organizations in Bangladesh and beyond. Continued research and application of these findings will undoubtedly shape the future landscape of organizational practices and policies, fostering environments conducive to employee empowerment and high performance.

It's important to recognize that our study captures a snapshot of employee experiences at a specific point in time, lacking insight into how empowerment, PC, and EP may evolve over time. This research mainly focuses on analyzing the correlation between empowerment, PC and EP. However, it is important to acknowledge that there are other elements that might impact an EP. However, this study purposely narrows its focus to only a few specific variables. Factors, such as - workplace relationships, personal issues, and economic conditions are not included in this analysis. Different companies in Bangladesh have their own unique methods. It's essential to acknowledge these differences, as our study findings may not be universally applicable to all organizations. Some companies excel at creating an environment where employees feel empowered and strong, while others may not prioritize this aspect as much. Consequently, the results of our study cannot be fully generalized across all companies.

Moreover, researchers may plan to investigate the moderating roles of contextual factors such as organizational culture, leadership styles, and industry

challenges in influencing the relationships between empowerment, PC, and EP. Additionally, researchers may aim to go beyond individual performance and explore the relationships between PC and other organizational outcomes, including team effectiveness, innovation, and organizational commitment. Also, the study used closed-ended questions to collect data, which makes it harder for people to give more detailed information about the topic. In the future, researchers might add both open-ended and closed-ended questions to the survey so that individuals can give their opinions and ideas.

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## ОСНАЖИВАЊЕ ЗАПОСЛЕНИХ И ЊЕГОВ УТИЦАЈ НА ПЕРФОРМАНСЕ У ЕКОНОМИЈАМА У РАЗВОЈУ: ПОСРЕДНИЧКА УЛОГА ПСИХОЛОШКОГ КАПИТАЛА

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### Извод

Циљ ове студије је испитивање посредничке улоге психолошког капитала између оснаживања запослених и њихових перформанси у економији у развоју као што је Бангладеш. Структурисани упитник је дистрибуиран запосленима у различитим јавним и приватним организацијама у Бангладешу. Подаци прикупљени од 385 испитаника анализирани су методом структурног моделирања помоћу парцијалне најмање квадратуре (PLS-SEM) како би се тестирале хипотетичке релације међу латентним конструктима. Резултати су показали да и структурно и психолошко оснаживање позитивно утичу на радне перформансе запослених. Психолошки капитал, који такође има значајан позитиван утицај на перформансе, делује као посредник у односу између оба облика оснаживања (структурног и психолошког) и перформанси запослених. Студија представља пионирски напор у успостављању психолошког капитала као посредничке променљиве у вези између оснаживања и радних перформанси у контексту економије у развоју. Резултати пружају драгоцене увиде организацијама у креирању политика и програма за управљање људским ресурсима и обука, који ће омогућити оснаживање запослених, што ће довести до побољшања психолошког капитала и, последично, унапређења њихових перформанси.

*Кључне речи:* оснаживање запослених, структурно оснаживање, психолошко оснаживање, психолошки капитал, радне перформансе

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**APPENDIX A**

Constructs	Item	Statements
Employee Performance (EP)	EP1	I can plan for my area of responsibilities in my job.
	EP2	I can coordinate several activities in my job.
	EP3	I can properly evaluate my subordinates' activities.
	EP4	I can investigate issues in my area of responsibility.
	EP5	I can effectively obtain and maintain suitable staff.
	EP6	I have good negotiating power.
	EP7	I have good communicating skills to manage my work.
	EP8	The performance of my team accelerates the organizational performance.
Psychological Capital (PC)	PC1	I feel confident in representing my work area.
	PC2	I feel confident helping to set targets/goals in my work area.
	PC3	If I have a problem at work, I can think of lots of ways to fix it.
	PC4	Right now, I'm actively working hard to achieve my goals at work.
	PC5	I can handle tough times at work because I've been through hard stuff before.
	PC6	I feel I can handle many things at a time at this job.
	PC7	I always look on the bright side of things regarding my job.
Psychological Empowerment (PE)	PE1	The work I do is very important to me.
	PE2	The work I do is meaningful to me.
	PE3	I am confident about my ability to do my job.
	PE4	I have mastered the skills necessary for my job.
	PE5	I have significant autonomy in determining how I do my job.
	PE6	My impact on what happens in my department is large
	PE7	I have significant influence over what happens in my department.
	SE1	I have many opportunities to learn new things in my job.
Structural Empowerment (SE)	SE2	I have the opportunity to use my skills and abilities in my job.
	SE3	I get real time information to do my job effectively.
	SE4	I feel that I am part of the information loop in my department.
	SE5	I have the support of my reporting boss.
	SE6	I have the support of my coworkers
	SE7	I have the resources I need to do my job effectively..
	SE8	I have the training I need to do my job effectively