

MODERATION EFFECTS OF POWER DISTANCE ON THE RELATIONSHIP BETWEEN JOB CHARACTERISTICS, LEADERSHIP EMPOWERMENT, EMPLOYEE PARTICIPATION AND JOB SATISFACTION: A CONCEPTUAL FRAMEWORK

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ABSTRACT

This paper is aims to build a conceptual framework regarding the moderation role of power distance culture on job satisfaction. The sources of a literature review utilise two electronic databases, which were drawn from Emerald Insight and Wiley Online Library. This included major articles for a literature review published in academic journals during the last 5 years. The result of the study was a conceptual framework to be investigated by empiric data as the research suggestion.

Keywords: Power Distance, Job Characteristic, Leadership Empowerment, Employee Participation, Job Satisfaction, Conceptual Framework.

INTRODUCTION

Hofstede defined Power Distance to be, ‘the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally’ (geert-hofstede.com). Hofstede showed differently across cultures on power distance index on his <https://www.geert-hofstede.com>. Table 1 shows part of it. The majority of Western countries, except France (score 68) United States, United Kingdom, Germany and Netherlands have a low power distance index. Meanwhile, the majority of Asian countries, such as Japan, China, South Korea, India and Turkey have a high power distance index. Likewise, ASEAN countries, such as Indonesia, Malaysia, Singapore, Philippines and Thailand have a high power distance.

Western	Score	Asian	Score	ASEAN	Score
US	40	Japan	54	Indonesia	78
United Kingdom	35	China	80	Malaysia	100
Germany	35	South Korea	60	Singapore	74
Netherlands	38	India	77	Philippines	94
France	68	Turkey	66	Thailand	64

Source: <https://www.geert-hofstede.com>

The previous studies showed that the power distance has moderating effects on job satisfaction in management. Hauff & Richter (2015) investigated the moderating effect of power

distance on the relationship between job characteristics and job satisfaction. Fock et al. (2013) investigated the moderating effect of power distance on the relationship between leadership empowerment and job satisfaction. Furthermore, Rafiei & Pourreza (2013) investigated the moderating effect of power distance on the relationship between employee participation and job satisfaction. Moreover, this paper provided a conceptual framework to be investigated in future research.

LITERATURE REVIEW

Job Characteristics and Job Satisfaction

Locke (1969); Hartline & Ferrell (1996) defines job satisfaction as, 'the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values.' Hauff & Richter (2015) stated that the relation of job characteristics with status and power are perceived to be different among different cultures and moreover, that job characteristics include: income, advancement, job security, interesting job, independent work, qualification possibilities, opportunities for skills use, low workload, good relationships with management, good relationships with colleagues, opportunities to help others, usefulness to society and work-family compatibility.

Hauff & Richter (2015) stated that various situational job characteristics can influence job satisfaction. According to Stone et al. (2009); Amundsen & Martinsen (2015), the motivation to get autonomous work from subordinates can also influence personal satisfaction. According to Luthans (1994); Cerit (2009), the attitude of an individual on the job and job conditions can also impact on job satisfaction. Likewise, according to Cetinkanat (2000); Cerit (2009), a personal evaluation of job conditions (the job itself, attitude of the administrator) or the results of the job (wage, job security) can impact on job satisfaction. Furthermore, according to Davis (1981); Cerit (2009), unity between features of the job and the desires of those performing the job impact on job satisfaction. Thomas et al. (2004) found the effect of job characteristics on job satisfaction. Hauff & Richter (2015) found the relationship between situational job characteristics and job satisfaction that was moderated by power distance. It means that high and low power distance can weaken or strengthen the effect of job characteristics on job satisfaction.

Hauff & Richter (2015) also found a positive relationship between advancement opportunities and job satisfaction to be stronger in high power distance cultures. Hauff & Richter (2015) said that inequalities between social status, prestige and wealth were often large in high power distance cultures. Therefore, individuals should be highly motivated to get a better position within organisations or society. Hauff & Richter (2015) also found a positive relationship between income and job satisfaction to be stronger in cultures high in power distance. Wide salary ranges between the top and bottom of an organisation is no problem in high power distance culture (Hofstede et al., 2010). Therefore, the relationship between income and job satisfaction is moderated by high power distance (Hauff & Richter, 2015). However, in their research, Hauff & Richter (2015) did not find a moderation effect of power distance on the relationship between good relationships with management and job satisfaction, as well as a moderation effect of power distance on the relationship between good relationships between colleagues and job satisfaction. Therefore, the results on power distance's impact as well as its moderating role are strongly dependent on the cultural concepts utilised (Hauff & Richter, 2015). In low power distance cultures, subordinates expect superiors to consult them and give opportunities to express their point of view on the job or employee (Lam et al., 2002). However,

a good relationship with managers, in high power distance cultures is less important for achieving high job satisfaction (Eisenberger, 2002) and employees depend more on their supervisors' direction (Bochner, 1994). Therefore, there will be a relationship between good relationships with management and job satisfaction, which was moderated by power distance (Hauff & Richter, 2015).

H₁: The positive relationship between job characteristics and job satisfaction is stronger in high power distance cultures.

Leadership Empowerment and Job Satisfaction

According to Fock et al. (2013), there were three types of empowerment, i.e. discretion empowerment, psychological empowerment and leadership empowerment. In the study, there would be a limit on leadership empowerment to be one of the determinants of job satisfaction with power distance as a moderation variable. The leadership empowerment construct is known in literature to be empowerment leadership behaviours (Fock et al., 2013). Cerit (2009) found a strong positive relationship between servant leadership behaviours of school principals and teachers' job satisfaction. Amundsen & Martinsen (2015) said that it is reasonable to expect that leadership empowerment positively affects job satisfaction. According to Vecchio et al. (2010); Amundsen & Martinsen (2015), leaders who share power with their subordinates generally contribute to a higher level of job satisfaction among those subordinates. Fock et al. (2013) argue that power distance will moderate the impact of leadership empowerment on employee satisfaction.

H₂: The positive relationship between leadership empowerment and job satisfaction is stronger in high power distance cultures.

Employee Participation and Job Satisfaction

Employee participation implies their input on organisation values and recognises their contribution to achieving company goals. Participation in decision-making provides employees with more opportunities to utilise their human capital (Park, 2015). Favourable opportunities for rewards, such as financial incentives and a positive valuation of employees' contributions are involved (Park, 2015). When employees have opportunities to participate in decision-making or financial results, they will interpret these organisational actions to be indicative of the company's commitment to them (Allen et al., 2003; Eisenberger et al., 2001; Rhoades & Eisenberger, 2002; Park, 2015).

Organisations with a high power distance culture have a low level of performance because their employees do not have the power to make decisions and are not allowed to participate in making decisions or their organisational affairs (Mead, 2003; Rafiei & Pourreza, 2013). Employees who feel that the power distribution of their organisation is unequal, they will lose their commitment to work and consequently, their job satisfaction will be decreased (Hofstede, 2005; Rafiei & Pourreza, 2013). When employees have participation in decision making, it will influence their organisational commitment as well as job satisfaction and job responsibilities (Rafiei & Pourreza, 2013). Rafiei & Pourreza (2013) investigated the moderation effect of power distance on the effect of employee participation on job satisfaction and found that power distance had a significant effect on the relationship between employee participation with job satisfaction.

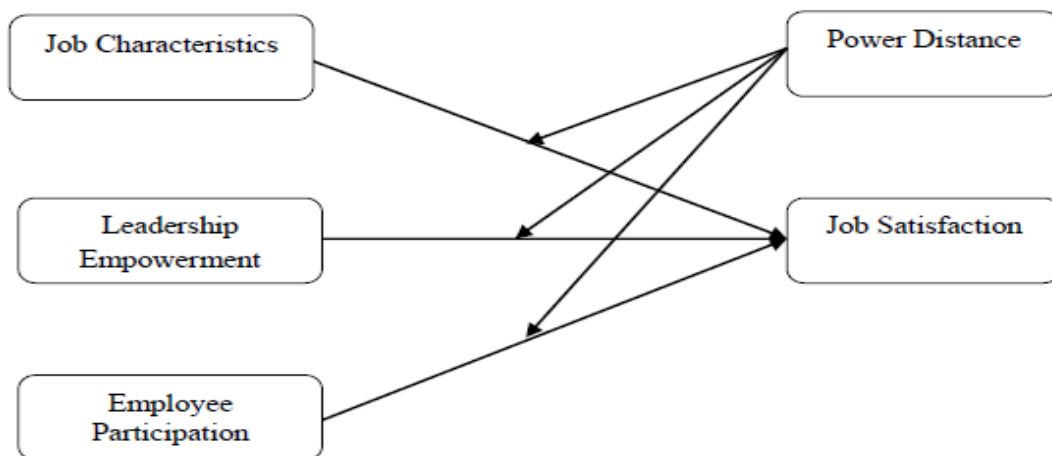
H₃: The positive relationship between employee participation and job satisfaction is stronger in high power distance cultures.

METHOD

The study conducted a preliminary literature review. This literature review was complemented by using published journal articles in two electronic databases or publishers: Emerald Insight and Wiley Online Library. The major articles of the literature review published in academic journals during the last 5 years were criteria. Three articles were selected to build a conceptual framework. The result of this literature review was a conceptual framework and suggestion to investigate it by empirical data.

RESULTS: CONCEPTUAL FRAMEWORK

The literature review yielded the conceptual framework as shown in Figure 1. The conceptual framework shows the moderating effects of power distance on the effect of job characteristics and job satisfaction, the moderating effects of power distance on the effect of leadership empowerment on job satisfaction and the moderating effects of power distance on the effect of employee participation on job satisfaction.



**FIGURE 1
CONCEPTUAL FRAMEWORK**

Furthermore, based on the above conceptual framework, it will be important to investigate it with empirical evidence. Here, a measurements scale can be used for research questionnaires in order to investigate by empirical data of the conceptual framework. The job characteristic scale can be adapted from Fock et al. (2013), the leadership empowerment scale can use Spreitzer’s (1996), employee participation can be measured by two items adapted from Park (2015), job satisfaction can be measured by two items adapted by Hartline & Ferrell (1996) from Brown & Peterson (1993) and power distance can be assessed using an 11-item scale developed by Brockner et al. (2001). Table 2 shows the constructs and measurements scale.

Table 2 CONSTRUCTS AND ITEMS	
Job Characteristic	
1.	My income is high
2.	My opportunities for advancement are high
3.	My job is secure
4.	My job is interesting
5.	My job provides me with opportunities to improve my skills
6.	In general, the relationships at my workplace between management and employees is very good
7.	In general, the relationships at your workplace between colleagues is very good
8.	In my job, I can help other people
9.	My job is useful to society
Employee Participation	
1.	I involved in a formal team, making joint decisions in my workplace
2.	My team have considerable discretion and responsibility with respect to work-related decisions.
The Leadership Empowerment	
1.	My supervisor suggests ways to improve my work group's performance.
2.	My work group members are encouraged to express ideas/suggestions.
3.	My supervisor explains his or her decisions and actions to my work group.
4.	My supervisor takes the time to discuss work group members' concerns patiently.
5.	My supervisor shows concern for work group members' success.
6.	My supervisor stays in touch with my work group.
7.	I usually trust statements made by my supervisor.
8.	My immediate supervisor is friendly and easy to approach
Job Satisfaction	
1.	I satisfied with my overall job
2.	I satisfied with my fellow worker
3.	I satisfied with my supervisor(s)
4.	I satisfied with my organisation's policies
5.	I satisfied with the support provided by my organisation
6.	I satisfied with my salary or wages
7.	I satisfied with my opportunities for advancement with this organisation
8.	I satisfied with my organisation's customers
Power Distance	
1.	Even if an employee may feel he deserves a salary increase, it would be disrespectful to ask his supervisor for it.
2.	People are better off not questioning the decisions of those in authority.
3.	Communications with superiors should always be done using formally established procedures.
4.	When a performance appraisal made by the supervisor does not fit with subordinates' expectation, the employees should not feel free to discuss it with the supervisor.
5.	People at lower levels in the organisation should carry out the requests of people at higher levels without questions.
6.	People at higher levels in organisations have a responsibility to make important decisions for people below them.
7.	Managers should be able to make the right decisions without consulting with others.
8.	Once a top-level executive makes a decision, people working for the company should not question it.
9.	Employees should not express disagreements with their supervisor.
10.	In work-related matters, supervisors have a right to expect obedience from their subordinates.
11.	A company's rules should not be broken, not even when the employee thinks it is in the company's best interest.

CONCLUSION AND FUTURE RESEARCH

This study provided a conceptual framework regarding the 1) moderation effects of power distance on the relationship between job characteristics and job satisfaction, 2) moderation effects of power distance on the relationship between leadership empowerment and job satisfaction and 3) moderation effects of power distance on the relationship between employee participation and job satisfaction. Results suggest that the conceptual framework itself is the limitation of the research. Future research can investigate the conceptual framework by using empirical data based on phenomena gaps, theory and research gaps as is described below.

Firstly, future research should include the phenomena gap of international trade and capital internationalization activities in the era of globalization creating the complexity of business and corporate management. Culture is one of the main factors that create the complexity. The reality shows the importance of cross cultural knowledge in the management of people in the global management. Understanding country by country differences regarding the power distance dimension of culture, is one example. Specifically, Western culture with its low power distance and Eastern culture with its high power distance culture is important. The scores from conducting a comparison will influence success in human resource management in each country.

Secondly, theory gaps between the theory and future research can be explored. According to Thomas et al. (2004), job characteristics are the primary determinants of job satisfaction and this issue has become a longstanding debate between psychologists (such as Kulik, Oldham & Hackman, 1987; O'Reilly & Roberts, 1975). But according to Hauff & Richter (2015), people from across cultures perceive job characteristics differently as they are related to status and power. Therefore, these factors are important for job motivation and employee satisfaction in accounting for differences across cultures.

According to Monahan (2013), job satisfaction is “an employee’s affective reactions to a job based on comparing actual outcomes with desired outcomes” and “when expectations are met or exceeded, employee job satisfaction is often high”. Monahan (2013) investigated the effect of Leader-Member-Exchange (LMX) on job satisfaction. The LMX is a leader’s relationship with each individual organizational member. Monahan proposed that the LMX will influence employee work satisfaction. Jutras & Mathieu (2016) also state that employee perception of one’s leader and organization may influence overall job satisfaction. Furthermore, Amundsen & Martinsen (2015) built the proposition effect of leadership empowerment on job satisfaction. But according to Fock et al. (2013), the real meaning of empowerment is popular in Western societies, but it puzzles managers in Eastern cultures and causes them to be uncertain about how to empower their subordinates.

Yang (2013) said that fair labour practices and continuous employee training and development can improve their job satisfaction. Park (2015) argued that when employees have opportunities to participate in decision-making, doing so will be indicative of the company’s commitment to them. It logically applies to the low power distance societies, but how does this apply in high power distance societies? Rafiei & Pourreza (2013) state that in high power distance cultures “their employees do not have the power of making decisions and are not allowed to participate in their organizational affairs”. As a result, my future research will investigate the moderating effect of power distance on the relationship between job characteristics, leadership empowerment and employee participation on Indonesian employee job satisfaction.

Thirdly, the research gaps exist between future research and previous research. For example, Hauff & Richter (2015) investigated the moderating effect of power distance on the relationship between job characteristics and job satisfaction and they focus on 16 nations that have different degrees of Hofstede's power distance index. They found the following scores: Australia (score 36, R^2 is 53 percent), Germany (score 35, R^2 is 43 percent), Great Britain (score 35, R^2 is 51 percent), USA (score 40, R^2 is 46 percent), Hungary (score 46, R^2 is 28 percent), Sweden (score 31, R^2 is 51 percent), New Zealand (score 22, R^2 is 50 percent), Canada (score 39, R^2 is 50 percent), Philippines (score 94, R^2 is 20 percent), Israel (score 13, R^2 is 48 percent), Japan (score 54, R^2 is 43 percent), Spain (score 57, R^2 is 44 percent), France (score 68, R^2 is 58 percent), Switzerland (score 34, R^2 is 42 percent), Finland (score 33, R^2 is 53 percent) and Taiwan (score 58, R^2 is 37 percent). Hauff & Richter (2015) found there is a different R^2 among nations with a high power distance index, i.e. between Philippines and Taiwan (less than 40 percent) and Japan, Spain and France (more than 40 percent). Indonesia and the Philippines are country members of ASEAN and have high power distance index. Hauff & Richter (2015) found that for employees from the Philippines, low workload is most important for job satisfaction. It is interesting to investigate the moderating effect of power distance on the relationship between job characteristics and job satisfaction with its high score for the dimension.

Fock et al. (2013) investigated the moderating effect of power distance on the relationship between leadership empowerment and job satisfaction. Surveys were conducted in a society with low in power distance such as Canada and in a society high in power distance such as China. Fock et al. (2013) found the effect of discretion empowerment on employee satisfaction was less pronounced in China and the effect of leadership empowerment on employee satisfaction was more pronounced in Canada, a society lower in power distance. Like China, Indonesia has a high score for the power distance dimension, which shows that Indonesian people tend to accept hierarchy: unequal rights between power holders and non-power holders, leaders and subordinates. Unequal status, rights and authority between leader and group members are accepted as prevalent conditions.

But although Indonesia people accept power hierarchy, they want wise implementation from those people in the power hierarchy. A leader in Indonesia is expected to accept subordinates' participation and still perceive his authority in directive form and with resolute decision making (Panggabean et al., 2014). There is difference between regarding a leader as the most powerful man and the most respected man. Indonesian society expects the most respect to be given rather than perception that leaders are the most powerful. In other words, respect and deference to a leader is more important than attitudes about power. *Tepa slira* is an idiom of Javanese that means to empathize, which must be given by leaders. The superior should empathize (*tepa slira*) with the inferior. *Tepa slira*, literally, to measure against oneself, means to judge, from what one's own reactions would be in a similar case if the positions were reversed, how one's deeds will affect others. A leader must be able to be a *bapak*, a father and reliable patron, who should be honoured and followed, with every whim and wish being a command and who care for his subjects (*anak buah*). And this image of social organization is rooted in the family and is projected onto society as a whole (Mulder, 2005). Referring to the culture of a country will support the hypothesis of the moderating effect of power distance on the relationship between employee participation and job satisfaction. So it is interesting to investigate the moderating effect of power distance on the relationship between leadership empowerment and job satisfaction as in the Indonesian case.

Rafiei & Pourreza (2013) investigated the moderating effect of power distance on the relationship between employee participation and job satisfaction in Tehran, Iran. Employees and managers of hospitals affiliated with Tehran University of Medical Sciences were their respondents. Iran has high scores of Hofstede's power distance index (58) and one of their findings is that power distance had a significant effect on the relationship between employee participation and job satisfaction. Iran and Indonesia both have high scores of Hofstede's power distance index. But Indonesian is unique. For Indonesia, respect to the leader has the purpose to preserve social order and harmony. Indonesians cannot accept an authoritarian leader. Order is created, in the Javanese worldview, if people live in harmony by knowing each other's position and duties, respect to ones who have a higher position and favour and being responsible for ones who have a lower position. They need one another. Social order must be preserved by recognizing their own position in maintaining social harmony and loyalty. For example, in *Pewayangan* or shadow play, Semar is a figure who is much respected, but he just is leader of servants (*Punakawan*) of Pandawa. Pandawa is the protagonist five princes in the shadow play story. As a servant of Pandawa, Semar (as well as the other servants, Gareng, Petruk & Bagong) is a loyal servant. He serves their lords, but in many events he also becomes a counsellor for his princes. His princes very much respect him because they regard him as a *panutan* or patron, one who is nearer god. So we look to cultural storytelling to see that hierarchy structure is complex in Japanese culture (Darmaputera, 1997). *Kompas*, a popular newspaper in Indonesia, cited a survey report of Burson-Marsteller and reporting that 75 percent of the public regard the president or government leader to the most powerful people in the society, but just 49 percent regards the president as the most respected man. Corporate CEOs are not regarded as the most powerful men and they regard religious leaders to be more respected than president (Kompas.com, 2014). Self-control, beauty and elegance, politeness and sensitivity are keys of leader authority (Panggabean et al., 2014). It is interesting to investigate the moderating effect of power distance on the relationship between employee participation and job satisfaction as in the Indonesian case.

Finally, the above phenomena gaps, theory and research gaps can be the basis of future research. Investigations can focus on the moderating effect of power distance on the relationship between job characteristics, leadership empowerment, employee participation and job satisfaction.

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