Psychological empowerment is a cognitive state that is characterized by a sense of perceived control, perceptions of competence, and internalization of goals and objectives of the organisation. Psychological empowerment refers to personal beliefs that employees have about their role in relation to the organization. The present study aims at studying the impact of psychological empowerment on job satisfaction among the employees of a shipyard. The sample consisted of 63 employees. Questionnaires were used for data collection. The collected data was analyzed with statistical tools which include mean, standard deviation, ANOVA, correlation and regression tests. The Results showed that approximately twenty nine per cent of the variance in job satisfaction was explained by psychological empowerment