Psychological empowerment was more broadly defined as increased intrinsic task motivation manifested in a set of four cognitions reflecting an individual’s orientation to his or her work role: meaning, competence, self-determination and impact. The four dimensions of psychological empowerment have been correlated with various work behaviors and affective outcomes at work. The aim of the present study was to study psychological empowerment and occupational stress among the managerial personnel of automobile industry. Managerial personnel working in automobile industry participated in the study. Questionnaires were administered to assess psychological empowerment and occupational stress among the managers. The collected data wereanalysedwithmean, standard deviation, ANOVA, correlation, and regression tests. Resultsindicatedthatthereweresignificantdifferences in psychologicalempowerment and occupational stress among the respondents of differentage and income groups. There was a significantnegativecorrelationbetweenpsychologicalempowerment and occupational stress. Seventeen per cent of the variation in occupational stress wasexplained by psychologicalempowerment.