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. Psychological Empowerment was expected to have effects on satisfaction. Empowered employees should have greater job satisfaction than employees who were not empowered. The objective of the present study was to study the relationship between psychological empowerment and job satisfaction. A convenience sample consisting of 75 employees working in Telecom industry participated in the study. Questionnaires were used to assess psychological empowerment and job satisfaction. There was a significant correlation between all the four dimensions of psychological empowerment namely, meaning, competence, self-determination and impact and job satisfaction of the respondents. It was found that approximately fifty seven per cent of the variance in job satisfaction was explained by the four dimensions of psychological empowerment namely, meaning, competence, self-determination and impact. In predicting job satisfaction, Impact was found to be the most important dimension followed by Meaning, Competence, and self-determination.