Empowerment in hospitality organizations: Customer orientation and organizational support

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ABSTRACT

Although empowering employees has often been prescribed as an efficient strategy for hospitality organizations, the strategy alone cannot ensure success. Individual and organizational factors should be considered to increase employees' perception of empowerment. This study examines the impact of employees' customer orientation and organizational factors on the employee empowerment perceptions. Our findings, based on a survey of 203 guest contact employees, suggest that organizations should hire customer oriented people, guide them with service training, provide a reward system, and facilitate service standards communication in order to increase perceived empowerment. Implications of these findings for hospitality service managers are discussed.

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1. Introduction

Employee empowerment is described as enabling or authorizing employees to make decisions to solve guest issues by themselves (Conger and Kanugo, 1988; Jha and Nair, 2008). Empowerment is especially advocated for heterogeneous services where guest contact employees need to adapt their behaviors to the demands of each and every service encounter (Chebat and Kollias, 2000; Ueno, 2008). Although many hospitality organizations have come to expect employee empowerment to result in improved service quality and guest satisfaction, its effectiveness may be limited if the factors required to cultivate and nurture it do not exist. Two factors that should be considered are: individual and organizational factors (Koberg et al., 1999). Previous research suggests that some employees may perform better than others because they are more willing, able, or talented (Berry et al., 1988; Chebat and Kollias, 2000). Thus, empowerment must be accompanied by a careful recruitment effort to select “empowerable” employees who can be inculcated with the skills and attitude conducive to exercising an acceptable and responsible decision making (Hales and Klidas, 1998).

Researchers also suggest that employees' perceptions of the work environment are a necessary consideration in the empowerment process (Robbins et al., 2002). Some researchers suggest that service organizations should invest in service skills training to enhance the ability of employees to meet the complex service demands of customers (Schlesinger and Heskett, 1991; Varca, 2004). Other researchers emphasize the importance of rewards in order to influence employees' behavior (Hartline and Ferrell, 1996; Gkorezis and Petridou, 2008). In addition, service standards of internal service quality should be communicated and understood by all members of the organization, including line employees, so that employees are more confident to act autonomously (Lytle et al., 1988; Yoon et al., 2007). These previous studies suggest that employees will not necessarily feel empowered without appropriate perceptions of service training, rewards, and service standards communication in the organization.

Although empowering guest contact employees has often been prescribed as an efficient strategy for hospitality organizations, individual and organizational factors should be considered to gain more insight into employees' perception of empowerment. A few studies examined either people factors or organizational factors, but rarely both. We believe that understanding these two factors is important to provide useful insights into employee empowerment.

This study examines the impact of employee customer orientation and organizational supporting factors on perceived empowerment. We specifically focus on customer orientation, training, rewards, and service standard communication. The findings of this study can add to the literature of employee empowerment by addressing the effects of employees' individual customer orientation tendency and organizational supporting system on perceived empowerment through an empirical examination. The results also offer managerial insights into acquiring and developing customer oriented guest contact employees who may best provide quality guest service via empowerment in a service oriented organization.
2. Literature review

2.1. Empowerment

A classical view of the industrialization of service suggests that humanistic process in service delivery renders the service sector forever inefficient (Levitt, 1976). Yet, service researchers argue back that the humanistic element can be the power of service excellence, so called employee empowerment (Zemke and Schaaf, 1989; Bowen and Lawler, 1992; Teng and Barrows, 2009). Employee empowerment involves managers giving more freedom of choice in decisions and power to frontline staff that allows further opportunities, authority, and responsibility in the workplace (Brymer, 1991).

Empowering employees contributes to the organizational effectiveness and guest satisfaction by creating more job satisfaction and self-esteem for employees (Bowen and Lawler, 1992) and engaging in discretionary behavior aiming at meeting or exceeding guests’ expectations in service encounters (Klidas et al., 2007). The empowered behaviors can be manifested by bending the rules to please customers (Shimko, 1994), providing guests with prompt responses to service requests and quicker solutions to service failures (Lewis and Clacher, 2001), using creativity to please guests even beyond what is expected (Lashley, 1997; Zhang and Bartol, 2010), and exercising discretion in their dealings with guests (Kelly et al., 1996; Bone and Mowen, 2010).

Yet, empowerment may not be appropriate for every service organization and the inconsistency of service quality still remains as one of the main criticisms (Bowen and Lawler, 1992; Lashley, 1995). Forrester (2000) argues that the main reason why organizational empowerment initiatives often fall short is that they take a “one-size fits all empowerment approach” that fails to differentiate between employees’ capabilities and desires. Thus, researchers posit that empowerment is a matter of degree rather than absolute, indicating that managers need to make judgments regarding whom to empower and to what extent (Ford and Fottler, 1995).

There are two streams of research on the conceptualization of empowerment, structural and psychological (Jha and Nair, 2008). The structural empowerment approach focuses on the delegation of decision making power from higher to lower levels in the organizational hierarchy (Heller, 2003) as well as a dyadic relationship between empowering leadership and subordinate employees (Ahearnen et al., 2005; Zhang and Bartol, 2010).

The psychological empowerment approach conceptualizes empowerment as an experienced psychological state or set of cognition (Conger and Kanugo, 1988; Zhang and Bartol, 2010). Thus, empowerment has been viewed as a motivational construct described as an intrinsic need for self-determination or a belief in personal self-efficacy (Conger and Kanugo, 1988). Due to its complex nature, many researchers proposed a multi-faceted structure of empowerment construct (Menon, 2001; Spreitzer, 1995; Thomas and Velthouse, 1990). Especially, Thomas and Velthouse (1990) extended Conger and Kaungo’s psychological empowerment approach by specifying a set of assessments such as: meaningfulness, competence, choice and impact.

Drawing on Conger and Kanugo (1988) and Thomas and Velthouse (1990), Spreitzer (1995) defined empowerment as a psychological state and motivational construct manifested in four cognitions: Meaning, Competence, Self-Determination, and Impact. The Meaning dimension refers to the values of a work goal or purpose, judged in relation to an individual’s own ideals or standards. The Competence dimension refers to an employee’s belief in his/her capability to perform activities with skill. The Self-Determination dimension refers to an individual’s autonomy in the initiation and continuation of work behaviors and processes. Finally, the Impact dimension refers to the degree to which an individual can influence strategic, administrative, or operating outcomes at work. This study focuses on employees’ psychological empowerment by using Spreitzer’s conceptualization.

The employees’ perception of empowerment or psychological empowerment has been examined from various aspects including employee demographics, organizational size, and industry type, but findings tend to be inconclusive (Dimitriades and Kufidu, 2004; Honegger and Appelbaum, 1998). Other researchers found that empowerment affects the employees’ behavior and attitudinal dispositions such as adaptability, self-efficacy, job satisfaction, role conflict, and organizational commitment (Chebat and Kollas, 2000; Lee et al., 2006). While the consequences of empowerment are well acknowledged, its antecedents to increase perception of empowerment are not investigated extensively. Individual and organizational factors should be considered to gain more insight into employees’ perception of empowerment (Koberg et al., 1999; Amenuney and Lockwood, 2008). Based on relevant previous research, we have identified an individual factor—customer orientation and three organizational supporting factors—training, rewards, and service standards communication, as important factors that can make a significant impact on guest contact employees’ perceived empowerment. In the following sections, we will discuss employee customer orientation, service training, service rewards, and service standards communication.

2.2. Customer orientation

Ahearnen et al. (2005) emphasized the importance of employee personality attributes on perceived psychological empowerment. Henning-Thurau (2004) states, “service employees’ level of customer orientation is a key driver for customers’ satisfaction with the service firm … employing customer-oriented service personnel, although not guaranteeing economic success, does represent a crucial step toward it (p. 472).” Customer orientation is defined as a surface-level personality-trait of an employee’s predisposition to meet customer needs in the job context (Brown et al., 2002; Donavan et al., 2004; Liu and Chen, 2006). Some employees may perform better than others because they are more talented and have a predisposition to go beyond the call of duty by providing more than what is required by their roles and job description (Chebat and Kollias, 2000).

Previous studies have shown that customer oriented employees yield better job performance, and exhibit higher organizational citizenship behavior (Babakus et al., 2009; Dienhart and Gregoire, 1993; Donavan et al., 2004; Kusluvan, 2003). Empowerment advocates suggest that empowerment must be accompanied by careful employee recruitment to select “empowerable” employees (Bowen and Lawler, 1992; Hales and Klidas, 1998). Pecccei and Rosenthal (2000) found that psychological empowerment positively associates with customer orientation in their study of retail setting. Therefore, employees’ individual tendency of customer orientation is likely to influence their perception of empowerment. Based on previous research, we propose the following hypothesis:

**H1.** Customer orientation will have a significant positive effect on perceived empowerment.

2.3. Service training

Human resource professionals and researchers have long recognized the importance of human relations skills in employees who come in direct contact with customers (Schneider and Bowen, 1993; Morris, 1996). In fact, a study by Bitner et al. (1990) showed that more than 40% of unsatisfactory service encounters result
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