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Is Empowerment Really a Contributory Factor to Service Quality?

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ABSTRACT

This article investigates how empowerment of front-line staff affects service quality in mass and technological services. A questionnaire survey and in-depth interviews were conducted. Analysis of the questionnaire data revealed that although there was a moderate association between empowerment and service quality in mass services, the relationship was not statistically significant in technological services. The interview data explain these results and highlight important differences between mass and technological services, both in the type of staff and in the nature of tasks undertaken. Moreover, it was apparent that there were difficulties in implementing empowerment in mass services.

KEY WORDS: Empowerment, Service quality, Mass services, Technological services

INTRODUCTION

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In the service sector, empowerment of front-line staff can play a key role in enhancing the level of service quality (Berry and Parasuraman, 1992; Ghobadian et al., 1994; Lin and Darling, 1997; Rafiq and Ahmed, 1998). Service businesses, characterised as they are by simultaneity of production and consumption and by heterogeneity in service delivery, frequently require that staff be flexible and have scope to use their discretion in meeting customer demands (Lewis and Gabrielsen, 1998; Rafiq and Ahmed, 1998). Empowerment of front-line staff can ensure that service quality is high and the research evidence clearly shows that empowerment can improve both customer satisfaction and employee attitudes and behaviour (Van Looy et al., 1998; Ripley and Ripley, 1992; Lashley and McGoldrick, 1994; Ashness and Lashley, 1995; Rafiq and Ahmed, 1998).

In the modern economy, however, the service sector is very large and comprised of many different types of business. Empowerment may be appropriate for some of these, but not for others (Bowen and Lawler, 1992; Rafiq and Ahmed, 1998). Professional services are characterised by high empowerment, and the service factory (such as fast food restaurants) is a typical case of low empowerment (Lashley, 1997; 1998; Rafiq and Ahmed, 1998). Between these extremes, there are two different types of service businesses: mass services and technological services. It is clear from the literature that different types of service businesses require different degree of empowerment. However, it should be noted that high empowerment does not necessarily represent high service quality while low empowerment does not inevitably correspond to low service quality: different degrees of empowerment could each have merit as there are positive and negative outcomes of empowerment.

The purpose of this article is to provide empirical data with which to clarify the role of empowerment, and how different degrees of empowerment support service quality in different types of service business. The article begins by reviewing the literature about positive and negative outcomes of empowerment, and different degrees of empowerment in different types of service businesses. The results of a questionnaire survey on the role of empowerment in service businesses are presented followed by the findings from in-depth interviews with middle managers who are responsible for promotion of service quality.

This combination of quantitative and qualitative evidence provides a much fuller picture of how different degrees of empowerment affect service quality across differing types of service business. The managerial implications of the findings are also presented as well as an agenda for further research.

LITERATURE REVIEW

Empowerment of front-line staff could be fundamental to achieving and improving the level of service quality (Berry and Parasuraman, 1992; Ghobadian et al., 1994; Zeithaml and Bitner, 1996; Lin and Darling, 1997; Rafiq and Ahmed, 1998). The characteristics of services, especially simultaneous production and consumption, and heterogeneity in service delivery, mean that front-line staff need flexibility in serving customers (Lewis and Gabrielsen, 1998) or some form of discretion during service encounters (Rafiq and Ahmed, 1998).

Previous research has shown that empowerment will enable front-line staff to meet and satisfy ever-changing customer requirements/demands, and respond promptly to their problems/complaints (Zeithaml, Parasuraman and Berry, 1990; Berry and Parasuraman, 1992; Van Looy et al., 1998). Moreover, service delivery skills and methods can be individualised rather than standardised (Zeithaml, Parasuraman and Berry, 1990), and responses and solutions can also be tailored to individual customers (Rafiq and Ahmed, 1998). Quick response and service delivery, customisation (Bowen and Lawler, 1995; Rafiq and Ahmed, 1998), and prompt service recovery help to improve customer satisfaction which in turn leads to customer retention (Van Looy et al., 1998). Furthermore, empowerment can increase employee loyalty, motivation, participation, involvement, commitment, self-esteem, adaptability to change, and satisfaction, and will help to reduce problems of role stress, role ambiguity, employee turnover, and absenteeism (Ripley and Ripley, 1992; Lashley and McGoldrick, 1994; Ashness and Lashley, 1995; Rafiq and Ahmed, 1998). This could enhance employee attitudes during interaction with customers (Bowen and Lawler, 1995). Improvement in business outcomes such as productivity (Ripley and Ripley, 1992; Rafiq and Ahmed, 1998) and profitability (Lashley and McGoldrick, 1994; Bowen and Lawler, 1995) are the probable results of all the positive outcomes of empowerment listed above. Thus, empowering front-line staff to make decisions and deal with customers is seen to be one of the crucial factors in achieving and improving the level of service quality (Ghobadian et al., 1994; Lin and Darling, 1997; Rafiq and Ahmed, 1998).

There are also consequences of empowerment. Since appropriate recruitment and selection, and training are necessary for empowering employees successfully, there will be an increase in the cost of selection and of training, both of which will be greater the more labour intensive the service is (Bowen and Lawler, 1995). Moreover, empowered employees with extra responsibility may have to be rewarded, adding to labour costs (Rafiq and Ahmed, 1998). Otherwise employees tend to interpret empowerment as an extra duty which increases their workload (Erstad, 1997). Furthermore, slower or inconsistent services can result from empowerment (Bowen and Lawler, 1995). Rafiq and Ahmed (1998) maintain that the customised services provided by empowered employees tend to slow down service delivery so that total service productivity will decline, and also tend to cause inconsistent service delivery. Slower service delivery can potentially lead to frustration or dissatisfaction for customers who are waiting to be served or who think they are unfairly treated (Rafiq and Ahmed, 1998). Besides, employees with insufficient experience, training, motivation or supervision, may take decisions which are not desirable for either the organisation or the customer (Martin and Adams, 1999). There is also the possibility of breaking the rules (Bowen and Lawler, 1995). For example, when service failures are compensated by gifts, empowered employees may offer too many free gifts (Rafiq and Ahmed, 1998). Empowerment may not always guarantee high service quality.

It has been argued that empowerment may not be the best approach in all circumstances nor for all types of service businesses (Bowen and Lawler, 1992; Boshoff and Leong, 1998; Rafiq and Ahmed, 1998). Different degrees of empowerment are required for

different service businesses (Bowen and Lawler, 1992; 1995; Lashley, 1997; 1998; Rafiq and Ahmed, 1998).

Low Empowerment (the Service Factory)

The service factory such as fast food restaurants is a typical case of low empowerment, because this type of business is characterised by a low degree of both customisation and labour intensity (Lashley, 1997; 1998) and thereby high standardisation of service for customers and not much personal contact with customers (Heskett et al., 1990). Customers are buying into the predictability and homogeneity of the service encounter so that employee performance standards are tightly defined which will constrain the opportunities to exercise discretion (Lashley, 1997; 1998).

High Empowerment (Professional Services)

Professional services are characterised, in the opposite way to the service factory, by a high degree of empowerment (Lashley, 1997; 1998; Rafiq and Ahmed, 1998). This is because professional services are highly customised: different customers have different requirements and needs (Lashley, 1997; 1998). Doctors, lawyers, accountants, architects and consultants, provide examples of this type of service (Schmenner 1986; 1995; Heskett et al., 1990; Lashley, 1997; 1998; Rafiq and Ahmed, 1998). The needs of the customers are often largely unpredictable and the solutions required to meet the needs of the customer are also highly complex (Rafiq and Ahmed, 1998). Therefore, a high degree of empowerment needs to be given to employees over their duties with responsible

autonomy over the organisation of work in order to interpret and deliver individual customer service needs (Lashley, 1997; 1998).

Medium Empowerment (Mass Services and Technological Services)

Two different types of service businesses lie between professional services and the service factory. These are mass services and technological services.

Mass service is fairly standardised so that customer service needs are predictable; however, a fair amount of interaction between customers and employees is required (Heskett et al., 1990; Lashley, 1997; 1998). Low empowerment is given to employees over tasks due to standardisation, but some discretion may need to be given to employees in order to interpret and deliver customers' intangible needs and to respond to customer complaints (Lashley, 1997; 1998). Wholesaling, retailing, the retail aspects of commercial banking, hotels, restaurants, transport, distribution have been offered as examples of this type of service business (Schmenner, 1986; 1995; Heskett et al., 1990; Rafiq and Ahmed, 1998; Lashley, 1997; 1998).

Technological service (Heskett et al., 1990) which is also known as the service shop (Lashley, 1997; 1998) comprises service engineer, auto repair and other repair services (Schmenner, 1986; 1995; Heskett et al., 1990 Rafiq and Ahmed, 1998). This type of service is often centred around technology, in which the service is delivered electronically with little contact between customer and front-line staff (Heskett et al., 1990). Customers may need to be advised and counselled about the best package of

services for them (Lashley, 1997; 1998) so that customised solutions are needed in this type of service (Rafiq and Ahmed, 1998). Individual customer needs may be difficult to predict; however, once they are recognised, a prearranged set of actions can be taken by front-line staff (Lashley, 1997; 1998). Thus, although a medium to high degree of empowerment is allowed for the employee to perform the required tasks, it is usually restricted to alternative methods of working to provide the required service (Rafiq and Ahmed, 1998).

Summary of Literature Review

Empowerment of front-line staff has both positive and negative outcomes, and it may not be the best approach for all circumstances or for all types of service businesses. Empowerment may not always result in high service quality. Therefore, although different degrees of empowerment are required in different types of service businesses, it should be noted that high empowerment does not necessarily represent high service quality or low empowerment does not inevitably correspond to low service quality: different degrees of empowerment could each have merit. For example, it is possible to achieve high service quality from a medium degree of empowerment. In short, the relationship between service quality and empowerment may not be straightforward.

RESEARCH ISSUES

The distinctions of empowerment between professional service as high empowerment and the service factory as low empowerment are very clear as they lie at the extremes. 'Medium degree' of empowerment is broadly applied to 'mass service' and to

‘technological services’. Among workplaces with a medium degree of empowerment, there could be a wide range, with some lying close to the high empowerment of professional services while others may not be far removed from the low empowerment regime of the service factory. Hence, in this research, only mass and technological services are targeted as to how different degrees of empowerment support service quality since the degree of empowerment in these two services may vary considerably although both types of services can be categorised as having a medium degree of empowerment. This requires further investigation and that is the purpose of the remainder of this article.

METHODOLOGY

Quantitative Method

The strategy for data collection was initially by a mailed questionnaire, and a variety of techniques were used to improve the response rate, e.g., paying return postage, personalisation, follow-ups and offer of a copy of the results. The FAME database was used to identify appropriate organisations. Extensive pilot testing was undertaken to ensure that the questions were both comprehensible and easy to complete. Pilot sample was analysed using exploratory factor analysis (EFA) and reliability testing.

The content of the questionnaire on empowerment was drawn from survey items used in previous research (see Appendix A). It was designed for completion by middle managers or equivalent as the decision to empower or not to empower employees is a control issue for managers (Hartline et al., 2000).

SERVQUAL is the best known instrument for service quality measurement (Ekinici and Riley, 1999), and it has been used to measure service quality in a wide range of service businesses (Ingram and Daskalakis, 1999, Palmer, 2001). Yet, service quality was measured by the performance only measurement using SERVPERF (Cronin and Taylor, 1992). This is because, unlike SERVQUAL, it does not seek to compare customer experience and perceptions, and measures post-consumption perception only (Palmer, 2001). Thus, SERVPERF avoided the problem of SERVQUAL with regard to assessment of customer expectations², is much easier to administer, and the data are easier to analyse, and arguably is more suitable to assess service quality (Cronin and Taylor, 1994; Buttle, 1996).

Only four out of five dimensions of SERVPERF were used: items on ‘tangibles’ were excluded, because it did not seem to be affected by empowerment. Moreover, it was measured from a managerial perspective rather than a customer perspective. This is because managers’ perceptions most directly affect the design, development and delivery of the service (Tsang and Qu, 2000). According to the study of Nel and Pitt (1993), managers had a reasonably good understanding of customer expectations. Although management tend to perceive their service quality as more successful than customers perceive it (Tsang and Qu, 2000), the main objective of this research is to examine how managerial practices of employee empowerment support service quality. Therefore, managers’ perceptions of service quality were used.

² Discussed by Clow and Vorhies (1993), Iacobucci et al. (1994), Buttle (1996), Van Looy et al. (1998).

A total of 2,495 questionnaires were distributed to named managers who were responsible for the promotion of service quality in UK businesses with 100 or more employees, and 371 useable responses were returned which made the response rate a little under 15%. In order to assess the construct validity and refine items where necessary, the total sample was evaluated with confirmatory factor analysis (CFA) using AMOS³.

The total sample was divided into two sub-samples. The literature specifies that mass services include distribution, financial services, hospitality, transport, retail, and wholesale (Schmenner, 1986; 1995; Oakland, 1993; Lashley, 1997; 1998; Silvestro, 2001), while technological services comprise construction, maintenance and repair companies including computer and network repair firms (Schmenner, 1986; 1995; Heskett et al., 1990; Rafiq and Ahmed, 1998; Silvestro, 2001). Therefore, in the analysis follows, the size of the sample for mass services became 188, and for technological services, 119.

In order to establish whether the following results could be confounded by the influence of company or respondent demographics, all items on the questionnaire were tested by One-Way ANOVA (with Post Hoc Test). This showed that there were no differences in the results by size of organisation, whether or not an organisation had ISO accreditation, the existence of a documented quality system, the level of turnover, or the respondents' job titles.

Qualitative Methods

³ CFA results are available on request.

The sampling frame for qualitative research was drawn from the list of the questionnaire respondents from those in mass and technological services. In this way, background information concerning empowerment and service quality was known prior to the research, and it was feasible to select a range of companies with diverse levels of service quality.

Stratified purposeful sampling was used to determine participants for the qualitative research. This sampling illustrates characteristics of particular subgroups of interest and therefore facilitates comparisons (Patton, 1990; Miles and Huberman, 1994) between mass and technological services. The method of data collection was through semi-structured interviews. In order to ensure questions were comprehensible to respondents, three pilot interviews were conducted.

A total of 18 interviews (11 from mass services and 7 from technological services) were conducted with a middle manager (or equivalent) who was responsible for the promotion of service quality. Mass services comprise airport, distribution, transport, financial service, hospitality, retail, and wholesale while technological services contain computer and related activity, construction, maintenance and repair.

RESULTS AND DISCUSSION

Survey results: the association between service quality and empowerment of front-line staff

T-test indicated that the differences in mean values of empowerment, and of service quality between the mass and technological service sub-samples were not statistically significant (see Appendices B and C). However, although the mean values of mass and technological services were similar to each other, it may not necessarily mean that the relationships between variables are the same. Therefore, canonical correlation analysis was applied to the sub-samples in order to measure the strength of the relationship between service quality and empowerment (see Table 1).

Table 1. Canonical correlation

Set 1 Service quality	Cross loadings		Set 2 Empowerment	Cross loadings	
	Mass	Tech		Mass	Tech
Reliability	-.401	-.177	Delegation	-.450	-.277
Responsiveness	-.431	-.171	Freedom of action	-.344	-.136
Assurance	-.357	-.287			
Empathy	-.375	-.245			
Canonical correlation	.451	.290			
Canonical R²	.203	.084			
Wilk's	.789	.914			
Chi-square	33.533	9.527			
DF	8.000	8.000			
Significance	.000	.300			

The association between service quality and empowerment in technological services was found to be statistically non-significant while it was moderate but significant in mass services (Table 1).

In mass services, the result indicated that although it was moderate, empowerment did affect the level of service quality. Hence, a higher degree of empowerment in mass services tended to achieve a higher level of service quality to some degree. Moreover, the canonical R² indicates that, in mass services, 20% of the variance in service quality was

explained by the empowerment of front-line staff. On the other hand, the non-significant association in technological services may imply that empowerment of front-line staff did not affect service quality at all, or service quality could be achievable regardless of the level to which staff were empowered in technological services.

The reasons for the non-significant association between empowerment and service quality in technological services, and the reasons for the moderate association in mass services were explored further in the in-depth interviews.

Interview results: technological services

High customisation is one of the characteristics of technological services (Heskett et al., 1990; Lashley, 1997; 1998), and empowerment is vital for customisation of service delivery (Rafiq and Ahmed, 1998). Through empowerment, service providers are able to tailor solutions to each customer, which in turn improves service quality.

“...empowerment is very important to them (front-line staff), because their assessment of the situation and circumstances dictate how quickly the customer is back up and running. ... Once they are given a fault, it’s theirs to deal with until its resolution. ...they can decide, for instance, whether to order a part for a printer, or to order a complete printer as a replacement if that is the way to get the customer up and running in the shortest amount of time. ...So it (empowerment) makes a big contribution to the quality of service we provide” (T1).

In some cases, however, such high empowerment may not result in high service quality. For instance, even though front-line staff were empowered, they could not meet customers’ requirement (to have their equipment up and running in the shortest time

possible with least disruption to their operation) when problems are beyond their capability, or when necessary parts were not available, they could not manage “to get the customers’ equipment up and running within the contracted time” (T1) and this caused customer complaints. This could in turn undermine the quality of service customers receive. Since the case of customer dissatisfaction was outside the control of front-line staff, the association between service quality and empowerment of front-line staff might not appear as a clear relationship in technological services.

It was revealed that, in some cases, front-line staff were empowered, but there were certain restrictions imposed from outside of the organisation. Construction or maintenance and repair industries often have “contract requirements” (T3) so that front-line staff are working within a framework and are “empowered up to whatever the contract we have with the people stated” (T5). In this case, although there are restrictions on empowerment, as long as front-line staff are capable of doing their job properly, service quality will be achieved when contract requirements are met. Hence, whether or not front-line staff are empowered may not necessary affect service quality.

A great amount of empowerment may not be appropriate to some situations where, although customised services are provided, front-line staff have limited expertise.

“Junior staff have limited empowerment. ... (because) the computer systems are very technical and very detailed. ... The junior staff are responsible for small pieces, because that is the limit of their experience and technical skills. ... They are told to design a part of the system and they must design according to what they are supposed to design. ... For instance, if we got a very, very large

project and had 60 people working in it, junior staff could not understand all of it. They wouldn't have all the necessary skills and knowledge to understand it" (T2).

It was apparent from the interviews that there were several reasons for the non-significant association between service quality and empowerment of front-line staff in technological services. It was partly because even highly empowered staff could not prevent customer dissatisfaction when the causes of dissatisfaction were outside their control. Moreover, in terms of meeting customer/contract requirements, whether staff were empowered or not may not be as important as their technical skills and knowledge. Furthermore, the restrictions (whether limited or large) on empowerment seemed to be due to either a contract or limited technical skills and knowledge of front-line staff so that different degrees of empowerment were appropriately managed and implemented. Therefore, service quality could be achievable with different degrees of empowerment.

Interview results: mass services

In mass services, service quality and empowerment were significantly and moderately associated. This indicates that the higher empowerment the higher service quality, or likewise, the lower empowerment the lower service quality to some extent. From the interviews, empowerment was generally thought to generate positive outcomes towards service quality.

"If you've got staff who are not empowered to deal with issues..., then, all they can do is act as a buffer between the customer and somebody else" (M5).

“...when a decision needs to be made at the front-line... they would know generally what to do. ...So it speeds up the customer service... You’ve got a customer with a problem on the counter or on the phone, if you’ve got to phone them back, because you can’t get hold of the manager or you’ve got to find the manager to decide, ...then you’re slowing down the service. So it (empowerment)’s really equipping them to be able to do their job, really” (M11).

“we... have 400 people working in 1 department. ...we can’t possibly employ that many supervisors or managers to supervise 400 people consistently. ...because management time is very expensive. ...So...they (front-line staff) have to make decisions especially about food safety issues, health and safety issues, quality issues on food. They are the first people looking at the food, and can say, ‘I don’t think the food looks very nice, reject the item’” (M6).

However, since the association was not particularly powerful, the relationship between service quality and empowerment is likely to be more complex than a simple linear function. A variety of reasons for the complex relationship between service quality and empowerment were revealed. One of the reasons would be that since the same organisation may require different degrees of empowerment for different jobs (Bowen and Lawler, 1995; Rafiq and Ahmed, 1998), the association could become elusive.

“This (empowerment) is difficult, because it varies, very much from one part of the business to the other. This business is made up of different businesses and in some of them, freedom of action is much more important. In others, ‘you must do the job this way, you do not choose’. In the administration business, it is more prescribed. In the actuarial business, ...they have a huge amount of responsibility, but also power, authority is delegated to them” (M4).

It was also found that empowerment of front-line staff was not equally implemented even within the same job which could cause the intricate association between empowerment and service quality.

“I think it (empowerment)’s very variable. ...some are more empowered than others. It depends on the manager in different locations. ...I don’t think they (front-line staff) are empowered everywhere” (M2).

“It tends to be the better managers who realise they’ve got to let go. But the less experienced ones, perhaps, somebody more stuck in the mud, more die hard. ...(for example), one member of staff on the counter would make a decision for a customer, and his boss would say, ‘great, well done for sorting that out’, whereas in a different branch, the same decision might be done and the boss would say, ‘What? What have you done (...) for?’” (M11).

It was not only managers who did not accept empowerment of front-line staff, but also trade unions and even front-line staff themselves. In some cases, empowerment can be a burden – “people don’t want it” (M8).

“Some people have reached their maximum. We’ve got guys who have been here 30 years and he’s doing the same job for 30 years. They are very happy doing their job. They don’t want to go any higher. We don’t think they’ve got potential to go any higher. But they do a really good job...” (M11).

“When we talk about empowerment, it’s not consistent. It depends on how strong the union is in each unit. ...because some people take the view that they are not paid to organise and make decisions. So they won’t take empowerment, ‘that’s a supervisor’s job, that’s not my job’. There is also the case that not everybody will take on responsibility to an equal amount, ...some people said it isn’t their job, or some people want extra money for doing extra things, and they see it

(empowerment) as extra things to their work. A lot of people are just coming to work... and that's all they do. We are a very strongly unionised organisation..." (M6).

There seems to be partly a problem of rewarding empowered staff who have extra responsibility. Although reward will add extra to labour costs (Rafiq and Ahmed, 1998), without it – monetary or non-monetary, employees tend to interpret empowerment as an extra duty which increases their workload (Erstad, 1997). Hence, although empowerment was provided, when front-line staff and also unions did not accept it, the association between empowerment and service quality became questionable.

Moreover, it was revealed that front-line staff were often, in fact, provided with discretion, not empowerment. Although empowerment and discretion are used interchangeably in the literature (Lashley, 1997; 1998; Rafiq and Ahmed, 1998), managers' interpretation of empowerment might have reflected the complexity.

"I think empowerment is a sort of overblown concept... personally, there is quite a lot of rubbish talked about empowerment as well. ...we don't have concrete standards of empowerment. It would be a bit of discretion" (M11).

"The reason I don't believe in that (empowerment) is I don't think we, or any business, actually truly empowers their staff. What it does is to give them an element of discretion, because empowerment, the dictionary definition, is to give power to somebody. We don't give power, we just give discretion. So we are giving the discretion to refund the guest's money. That's not empowerment. That is discretion. ...they are not allowed to give the guests free meals, because they like them. So, it's not empowerment, it's discretion" (M7).

It was frequently pointed out that there were levels of authority given to front-line staff, or empowerment was accompanied by some restrictions for various reasons. Firstly, ‘low levels of payment’ (M4, 7 and 11) in mass services may restrict the types of people who apply for the job.

“There are also restrictions which are built in because of the level of staff we have. ...We don’t recruit ‘rocket scientists’. Some of our staff, academically, are not brilliantly trained, they are not academic individuals, they might be seen as below average as far as intelligence is concerned. So sometimes, they would be restricted on how much freedom and initiative they could use because of their ability. So we would have to take it into account either their education or their innate ability” (M11).

Restrictions then became important according to the ability of front-line staff in order to maintain service quality to a certain degree.

Secondly, restrictions or fairly tight control are imposed by necessity for an industry which is “very much regulated” (M3) or “strictly regulated” (M1 and 9). Front-line staff have to follow rules and work within the law as well as within constraints.

“The problem with cabin crew is that it is quite a disciplined environment. ...When it’s come to empowerment, there is not a lot they can vary...because... we are very strictly regulated. ...their key responsibility is safety, you can’t be that flexible in what responsibilities they take on. ...flight safety is paramount and it can’t be compromised” (M9).

“It’s a regulated industry by the Department of Transport, by the Civil Aviation Authority... It’s all strictly regulated, because otherwise you would have chaos. ...if you think about our security staff, they just can’t do anything that they want” (M1).

Thirdly, it was also commonly cited that there were commercial or financial constraints which restrict empowerment of front-line staff. Monetary limits were seen to be necessary “to protect the finances of the company” (M11).

“It’s got to be disciplined..., controlled empowerment. It’s got to be within commercial constraints, because if people are giving free drinks, that’s coming out of the company’s profit” (M9).

“...if you gave everybody carte blanche to do what they want, you could end up finding out you’ve got no money coming in, because they are just letting customers have things without paying, ...they are doing them a favour. So you’ve got to have some restrictions” (M11).

According to Parasuraman (1986), if a company is genuinely customer-oriented, they will on occasion offer extra compensation even above the maximum normally specified in their roles and regulations since customer satisfaction is the top priority within its organisation. He points out that such extra expenditure will be compensated by positive word of mouth, and this will have a greater impact than investing heavily in conventional channels such as advertising. However, from the interviews, although empowerment is considered to be important to make customers happy, to give staff unlimited empowerment may undermine the finance of the company. Therefore, commercial or financial constraints seemed to be a compulsory restriction for some organisations. Nevertheless, it is possible that too much focus on financial constraints could result in slowing down responses from front-line staff to customers.

“...in one of our surveys recently, we found that customers were being put through to different people, I think, it was 2 or 1.8 times on average. And they say the optimum is once only... if a customer rang up a bit cross because their parcel’s gone astray, some companies would say ‘I’ll

send you a £10 M&S voucher...'. We wouldn't give that sort of empowerment... The directors don't seem to believe in it (empowerment). They would rather it went through to them that they made the decisions" (M2).

Unsatisfactory service quality may be raised from a very limited amount of empowerment (or unempowerment) of front-line staff. Top management have a crucial role in successful empowerment of front-line staff since whether or not front-line staff were empowered could depend on them (Sternberg, 1992; Lashley and McGoldrick, 1994; Randolph, 1995; Beach, 1996; Erstad, 1997).

Empowerment of front-line staff was not a critical issue for some organisations where there were prescribed ways of delivering services to customers.

"...our business is a very uniform... so there is less decision making for the front-line staff" (M8).

"...on the whole we have quite defined routes of how to do things properly. We really do expect people to behave within those guidelines" (M2).

"...they've got basic guidelines, ...a rule book, the statement of general policy, organisational responsibility, everything in there, everybody gets a copy of this, ...is what they are expected of, what they are expected to do" (M10).

A control approach as the opposite of an empowered approach may be suitable for labour intensive services where the key competitive advantages are cost control and speed of service delivery (Martin and Adams, 1999). Through the control approach, service

quality could be standardised using a carefully detailed manual or tightly scripted service interactions.

In mass services, as expected, there were a variety of reasons for the complex relationship between empowerment and service quality. When restrictions on empowerment were imposed by necessity (i.e., regulations, ability of staff), a limited degree of empowerment was one of the methods to support service quality. When front-line staff were engaged in routine tasks with little chance of unanticipated events occurring, prescribed ways of dealing with customers (and hence low empowerment) were fully appropriate to standardise service quality. Each restriction has its purpose so that service quality was achievable from empowerment with and without restrictions and even from unempowerment as a control approach. In consequence, different degrees of empowerment seemed to support service quality when it was carefully and adequately applied. However, empowerment of front-line staff did not contribute to service quality when top management, or middle management did not support it, or front-line staff did not accept it.

CONCLUSION

The analysis of the survey data identified relatively large differences between the two sub-samples in relation to the association between service quality and empowerment of front-line staff. The survey results confirmed that in mass services, empowerment of front-line staff was associated with service quality to some degree. Yet, in technological services, the association between service quality and empowerment was not statistically

significant. These results were unexpected since the literature on empowerment did not provide a clear distinction between mass and technological services. A medium degree of empowerment was generally thought applicable to both service types. The 18 in-depth interviews identified the reasons for the difference in the actual contribution of empowerment of front-line staff to service quality, and hence the differences between mass and technological services. It was partly because even highly empowered staff in technological services could not prevent customer dissatisfaction when the causes of dissatisfaction were outside their control. Moreover, in terms of meeting customer/contract requirements, whether staff were empowered or not may not be as important as their technical skills and knowledge. Furthermore, the restrictions on empowerment seemed to be due to either a contract or limited technical skills and knowledge of front-line staff so that different degrees of empowerment were appropriately managed and implemented. Therefore, service quality could be achievable with different degrees of empowerment. In mass services, it is apparent from the interview data that there were difficulties in implementing employee empowerment. Hence, in order to (further) improve service quality these difficulties need to be addressed.

IMPLICATIONS FOR MANAGERS

In mass services, in general, empowerment of front-line staff was seen to be beneficial to service quality. Yet, in some companies, restrictions on empowerment are needed to ensure high service quality as well as protect the finances of the company. Since a lack of empowerment can cause poor service quality, it might be necessary to reconsider the

amount of restrictions on empowerment. For example, a lack of belief from top management in employee empowerment could lead to customer dissatisfaction, and hence, education and training of top management is vital since top management support is essential to employee empowerment (Randolph, 1995; Erstad, 1997). In some cases, there seemed to be a lack of delegation of authority and responsibilities between management and front-line staff. Elimination of hierarchy and education and training of middle management might help the delegation of authority.

Resistance to empowerment from front-line staff and trade unions could partly be overcome by providing rewards for people who take on extra responsibility. Although rewards will add to labour costs initially, if rewards could be seen as a long-term investment, successful empowerment of front-line staff will help to compensate in the long-term. In addition, if it is feasible, it may be useful to reconsider the focus of recruitment and selection, and to provide proper training in order to ensure that employees have the required personality and ability to manage the extra responsibility caused by empowerment.

LIMITATIONS AND AREAS FOR FURTHER RESEARCH

As with all research, this project inevitably has some limitations. This research did not focus on variations within mass services or within technological services: organisations were treated as representative of either mass or technological services. This is because the purpose of the interviews was to facilitate interpretation of the quantitative data; hence, individual organisational characteristics, individual circumstances, or details of the

service offered to customers are not considered beyond the category of either mass or technological services. Yet, it is possible that individual organisations might have different practices on employee empowerment, and this may affect the promotion of service quality.

The limitations above suggest an agenda for further research. In order to examine whether individual organisations within mass or technological services have a distinctive emphasis on empowerment of front-line staff, the association could be examined further via a case study looking at a specific service company. Moreover, case studies may enable the measurement of empowerment from a front-line staff perspective. If empowerment were measured in this way, it might be possible to analyse more precisely the effect of empowerment on service quality.

Appendix A: Questionnaire items

The company encourages employees to make their own decisions.	Hogg et al (1998)
The company allows employees complete freedom in their work.	Hartline et al. (2000) adopted from Cook et al (1981)
The company encourages initiative in employees.	
The company lets employees do their work the way they think best.	
The company allows employees a high degree of initiative.	
The company trusts employees to exercise good judgement.	

1 = Disagree Strongly 7 = Agree Strongly

Appendix B: Mean values of empowerment

Two components of Empowerment extracted by EFA	Mass	Tech	Sig.
Delegation	4.80 (1.12)	4.88 (1.20)	.567
Freedom of action	3.57 (1.30)	3.82 (1.39)	.115

1 = Disagree Strongly 7 = Agree Strongly

Appendix C: Mean values of service quality

Four dimensions of SERVPERF	Mass	Tech	Sig.
Reliability	6.96 (1.10)	7.10 (.91)	.261
Responsiveness	7.04 (1.22)	7.09 (1.09)	.753
Assurance	7.08 (1.10)	7.23 (.89)	.168
Empathy	6.99 (1.27)	7.13 (.92)	.314

1 = Low 9 = High

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Empowerment

Using exploratory factor analysis, two components were extracted. They were called 'Delegation' and 'Freedom of action'. Reducing items on component: Delegation did not improve the CFA results. Component: Freedom of action had only two items. Therefore, all items on both components were retained (see Table 1). Nevertheless, the initial results (see Table 2) were very close to the recommended values, and hence, these results were considered to be acceptable.

Table 1. CFA on Empowerment

Component: Delegation (Alpha = .8944)	CFA loadings
The company encourages employees to make their own decisions.	.679
The company encourages initiative in employees.	.684
The company allows employees a high degree of initiative.	.788
The company trusts employees to exercise good judgement.	.595
Component: Freedom of action (Alpha = .8043)	
The company allows employees complete freedom in their work.	.732
The company lets employees do their work the way they think best.	.645

Table 2. Results of CFA for Empowerment

	Initial
Chi-square	41.509
DF	8
P	.000
Normed Chi-square	5.189
GFI	.967
AGFI	.913
NFI	.973
TLI	.959
RMSR	.048
RMSEA	.102

Service quality

Four dimensions (components) on service quality were examined by CFA. One item from reliability, two items from responsiveness, and one item from empathy were removed due to their low CFA loadings (see Table 3). After loading on a fifth scale, the results seemed to improve very little (see Table 4). The model fit indications of the fifth loading results of CFA were close to the recommended values which are considered to show good model fit. Therefore, items which remained at the fifth loading were used.

Table 4. Results of CFA for Service quality

	Initial	2 nd	3 rd	4 th	5 th
Chi-square	657.181	580.031	494.552	352.642	257.763
DF	129	113	98	84	71
P	.000	.000	.000	.000	.000
Normed Chi-square	5.094	5.133	5.046	4.198	3.630
GFI	.817	.826	.838	.882	.908
AGFI	.758	.764	.775	.832	.864
NFI	.856	.870	.883	.909	.929
TLI	.858	.870	.882	.911	.933
RMSR	.115	.103	.087	.081	.068
RMSEA	.108	.109	.107	.095	.087
	6 th	7 th	8 th	Final	
Chi-square	213.362	154.525	119.324	105.257	
DF	59	48	38	29	
P	.000	.000	.000	.000	
Normed Chi-square	3.616	3.219	3.140	3.630	
GFI	.918	.933	.943	.945	
AGFI	.873	.891	.901	.896	
NFI	.937	.949	.957	.957	
TLI	.938	.951	.956	.951	
RMSR	.066	.062	.060	.056	
RMSEA	.086	.080	.078	.087	