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Empowerment and role stress in the human interface between the firm and its markets

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Abstract: Front-line employees constitute one of the key interfaces that service organisations have with their markets. Many strategies to enhance the ability of these employees to satisfy the needs of customers have been proposed. Amongst these, empowering employees has been suggested to enhance the customer orientation of the firm and consequently its effectiveness in serving the market. However, the impact of empowerment in service organisations remains somewhat contentious. This paper examines the role of empowerment as an organisational service strategy, and identifies its consequences for role stress, job satisfaction and the willingness of service employees to serve their customers.

Keywords: empowerment, role stress, job satisfaction, customer orientation

1 Introduction

The growth of the services industry has dramatically increased over recent years. For example, in 1999 services were reported to account for one-fifth of world trade (Stauss & Mang, 1999); by 2000 this figure had increased by five per cent (Winsted, 2000) and by 2002 services accounted for almost two-thirds of world trade (Malhotra et al., 2005) – a 330 per cent increase in 3 years. Subsequently, it seems logical that to sustain this growth,
management of service organisations need to focus their attentions on implementing service strategies that will continue to offer their customers superior service delivery. In managing this growth, there appears to be a need for more and more service employees and, moreover, the need to know how to manage them.

Typically, a service organisation depends on the performance of their front-line employees (Chebat et al., 2002) as often they are the first, and sometimes the only, representative of the organisation whom customers encounter (Hartline et al., 2000). Consequently, customers tend to base their perceptions of the organisation largely on the service received from front-line employees (Bitner, 1990). Thus, it becomes imperative for employees to focus on the needs of customers (Kelley, 1992). In such situations, service managers are challenged to create strategies to motivate and enable front-line employees to identify the needs of the customer and provide the best possible service (Chebat et al., 2002).

In the services context, empowerment has been recommended as a strategy for achieving this (Chebat et al., 2002). Empowerment enables employees to manage a relationship with their customers rather than performing simple transactions, thus facilitating their responses to customers (Bowen and Lawler, 1992). Service firms are more likely to want to establish relations with their customers to build loyalty or to generate new ideas of how to improve their services and so the relationship itself can be the most valued commodity that is delivered in many services (Chebat and Kollias, 2000). Further, due to the intangibility and heterogeneity of services and the inseparability of their production from consumption; the service employee is often seen as the ‘service’ from the customer’s perspective. Empowerment allows service employees to personalise the services that they provide according to their customers’ needs (Bitner, 1990), enabling the employees to become more customer-oriented.

The 1990s saw increased application of empowerment in the organisational context (Honold, 1997; D’Annunzio-Green and Macandrew, 1999) as it appeared to be the answer to improved service quality, benefiting shareholders, customers, suppliers and employees alike (Burke 1986; Conger & Kanungo, 1988; Thomas and Velthouse, 1990; Bowen and Lawler, 1992). Consequently, empirical and applied research regarding empowerment also increased (Applebaum et al., 1999). Despite this interest, there is no agreed definition of empowerment in the literature. General consensus amongst authors is that the core element of empowerment involves allowing employees to exercise discretion during service encounters (Conger and Kanungo, 1988; Bowen and Lawler, 1992; Chebat and Kollias, 2000).
The concept of empowerment as a tool to improve service quality/customer orientation has been subjected to considerable debate (Bowen and Lawler, 1992; Honold, 1997; Applebaum et al., 1999). There remains extensive contradictory literature regarding the impact of empowerment on customer orientation and it is possibly due to this that there is still a great deal of uncertainty amongst managers and academics regarding empowerment effectiveness (Bowen and Lawler, 1992).

This paper will investigate the effect of empowerment on the customer orientation of contact employees in service organisations. Direct effect and employees’ perceptions of role stress and job satisfaction as a mediating variable will be measured. In addressing these objectives this paper is organised as follows: a review of the literature surrounding the constructs of empowerment, role stress, job satisfaction and customer orientation, to develop the conceptual framework of the study, followed by an outline of the methodology and analysis of the conceptual model; a discussion of the results in relation to previous theory and managerial implications and a conclusion on the limitations of the study and directions for future research.

2 Literature review

2.1. Empowerment

Empowerment involves sharing informal and formal decision-making power and influence between managers and their subordinates (Hofstede, 2001, p.389). Conger and Kanungo (1988) reported that, through the sharing and delegation of power, employees are more likely to achieve their desired outcomes as they are given the flexibility and discretion to manage relationships with their customers rather than being restricted to organisational rules and procedures. Consequently, empowerment adds value to an employee’s job.

Allowing contact employees to use their discretion whilst serving customers has many positive influences as they respond to customers during a service encounter. Bowen and Lawler (1992) suggested that empowered employees would be more satisfied with their jobs and therefore more enthusiastic whilst serving customers, resulting in quicker responses to customer needs and increased customer satisfaction. Niehoff et al. (1990) support this, and provide some limited empirical evidence to report that when employees make their own decisions they experience increased job satisfaction and decreased role stress. Similarly, Singh (1993) reported that empowered employees experience reduced role stress.
Schneider (1980) and Shamir (1980) report that role stress and job dissatisfaction are two major factors that contribute to employees’ inability to deliver good service. Empowering employees may alleviate these problems relating to role stress and/or job dissatisfaction and consequently facilitate service provision.

It appears, therefore, that empowerment may help organisations to achieve their service quality goals by encouraging customer orientation. Empowerment brings everyone within the service firm together to make the business successful (Johnson and Redmond, 1998). However, the impact of empowerment remains somewhat unclear as it has a strong, and to some degree an ambiguous, impact on the employees’ behaviour and attitude (Hartline and Ferrell, 1996). Chebat and Kollias (2000) point out that allowing employees to adapt to customers can prove very demanding for them. The more employees adapt, the more ambiguous their role becomes. Consequently their role stress increases and job satisfaction decreases.

Implementing empowerment may also prove difficult in practice (Argyris, 1998). Argyris (1998) argues that although the theory of empowerment is greatly understood by practitioners, it may be difficult for managers to relinquish control and pass it onto their subordinates. He concludes that complete empowerment of employees is still an illusion.

The following discussions will focus on the outcomes of empowerment particularly focusing on role stress, job satisfaction and customer orientation.

2.2. **Role stress**

Kahn et al. (1964) reported that employees who are uncertain of their roles are more susceptible to job tension/anxiety, dissatisfaction and reduced innovativeness because they are unsure of the expectations of their role. This problem is particularly evident in boundary-spanning roles (Chebat and Kollias, 2000). Boundary-spanning roles involve employees coping with the diverse expectations and demands of a variety of people both within the organisation and outside of it (Lysonski et al., 1988). Such demands create role stress for employees as there is the potential for conflicts of interest between organisational demands and customer demands. For example, the firm may have a specified interaction period for service encounters but the customer may need more time to express their views/needs (Chebat and Kollias, 2000). These pressures create role conflicts and role ambiguities and consequently increase role stress.

Weatherly and Tansik (1993) define role conflict as the “incompatibility between one or more roles within an employee’s role set, such that fulfilling one role would make fulfilling
the others more difficult”. Rogers et al. (1994) support this by reporting that role conflict occurs when an employee is expected to react both to contradictory demands from management (resulting from a lack of unity of command) and to inconsistent demands between the firm’s customers and its management. Tension and anxiety result as front-line employees are caught between the demands of legitimate authority and the demands of customers with whom they usually identify (Rafaeli, 1989).

Ivancevich and Matteson (1980) report that role ambiguity results when an individual’s role is unclear and lacks clarity either regarding objectives of the job or the scope of an individual’s responsibilities – for example, when employees do not have sufficient information to perform their role. Role ambiguity prevents employees from being productive and achieving their service quality aims (Ross and Altmaier, 1994). Schuler (1984) also argues that role stress results from situations where individuals experience role ambiguity and lose their sense of certainty and predictability in the work role.

There still remains conflict in literature regarding the effects of empowerment on role stress. Chebat and Kollias (2000) found that empowering employees to perform their roles decreases the amount of ambiguity they experience. In addition, they found that empowerment decreases conflict encountered with supervisors, with the way they serve customers and with their responsibilities on the job. Further, Singh (1993) reported that jobs may be designed to reduce role ambiguity through empowerment. Despite many authors reporting that empowerment leads to a decrease in role stress and ultimately an increase in job satisfaction (Niehoff et al., 1990; Bowen and Lawler, 1992; Gandz and Bird, 1996; Rafiq and Ahmed, 1998; Koberg et al., 1999; Chebat and Kollias, 2000), some literature reports that empowerment increases role stress, especially role ambiguity (e.g. Ashforth et al., 1998; Eylon and Bamberger, 2000; Conner and Douglas, 2005).

Conner and Douglas (2005) report that in organisations where empowerment is largely practiced, higher levels of role conflict and role ambiguity are more likely to be experienced. They attribute this to the fact that when an employee is empowered their tasks are less clearly defined as they do not have a realistic idea of how far they should go in order to please a customer. For similar reasons, Eylon and Bamberger (2000) also report that increasing empowerment levels will lead to increasing levels of role ambiguity. Furthermore, Hartline and Ferrell (1996) report that empowerment increases role conflict as front-line employees experience increased frustration through their empowerment due to inconsistent expectations of various parties. In other words, empowered employees take on added responsibilities in fulfilling the demands of their customers and their managers.
We posit the following hypotheses based on these observations:

**Hypothesis 1a:** The greater the employees’ perceptions of their empowerment, the less role ambiguity employees will perceive.

**Hypothesis 1b:** The greater the employees’ perceptions of their empowerment, the less role conflict employees will perceive.

### 2.3. Job satisfaction

The services marketing literature reports that happy and satisfied employees lead to a happy and satisfied customer (Halliday, 2002), hence many firms are paying more attention to the satisfaction of their employees, especially front-line employees as they act as the interface between the firm and the customer.

Rogers et al. (1994) define job satisfaction as the employees’ attitude toward various aspects of their job as well as their job in general and report how important it is for management to understand the specific factors that help shape employees’ attitudes toward their jobs, as they are generally viewed as the interface between a firm and its customers. Hence, the contentment of the employee should be just as important as the satisfaction of a customer. This concept is supported by Heskett et al. (1994), through the service-profit chain model, as the model emphasises the importance of job satisfaction due to its indirect impact on customer satisfaction. Bitner et al. (1990) support this by reporting that low job satisfaction has the potential of causing low quality service encounter performances on the part of the employee and that this will lead to customer dissatisfaction, firm switching and negative word-of-mouth communications by the customers (Bitner, 1990). Consequently we hypothesise:

**Hypothesis 2:** The greater the employees’ perceptions of their empowerment, the greater their job satisfaction.

Two very important determinants of job satisfaction that have been studied extensively in the past are role conflict and role ambiguity (Schneider, 1980; Shamir, 1980; Sumrall and Sebastianelli, 1999; Boles and Babin, 1996; Gregson and Wendell, 1994; Igbaria and Guimares, 1993; Chebat and Kollias, 2000; Hartline and Ferrell, 1996). It is a general
consensus amongst these researchers that these two role stressors are antecedent variables for predicting job satisfaction, where they exhibit a negative relationship. Furthermore, role ambiguity has a more prominent effect on job satisfaction (Gregson and Wendell, 1994, Hartline and Ferrell, 1996). Hartline and Ferrell (1996) report that role ambiguity has a detrimental impact on front-line employees, because it reduces employees’ self-efficacy and adaptability. As these effects attenuate into the service contact interface, role ambiguity diminishes employees’ ability to serve customers and indirectly decrease the customers’ perceptions of service quality.

However, Sumrall and Sebastianelli (1999) reported that the effect of these variables differed depending on the level of the employee within the organisation and Rogers et al. (1994) noted that the amount of role stress exhibited may also be attributed to customers, i.e. customers may be the variable initiating this role stress. Shamir (1980) also reports that employees’ role stress and dissatisfaction are two major factors that contribute to their inability to deliver good service.

Hartline and Ferrell (1996) also reported that role ambiguity was positively related to role conflict and directly negatively related to job satisfaction. As they could not support their original hypothesis that role conflict leads to low levels of job satisfaction, they argued that there was no direct relationship between the constructs of role conflict and job satisfaction, but that an increase in the level of role conflict experienced by the employee leads to an increase in role ambiguity which then results in a decrease in job satisfaction. Consequently we hypothesise:

\textit{Hypothesis 3a: The greater employees’ perceptions of role ambiguity, the less job satisfaction they will report.}

\textit{Hypothesis 3b: The greater employees’ perceptions of role conflict, the less job satisfaction they will report.}

2.4. Customer orientation

Customer orientation is “the set of beliefs that puts the customers’ interests first, while not excluding those of all other stakeholders such as the owners, managers, and employees, in order to develop a long-term profitable enterprise” (Deshpande et al., 1993). Customer orientation has been embraced by many firms as a competitive strategy to succeed in our ever-
changing business environment as it empowers employees and gives them more discretion to accommodate varying customer needs and problems (Cardy, 2001). Consequently employees’ roles have become more ambiguous and it is no longer possible to capture what workers do by means of a traditional job title. In this way customer orientation may relate to the empowerment approach as it focuses on employee participation by providing the front-line employees with knowledge, feedback, rewards and sufficient competence to provide high quality service to the customer (Bowen and Lawler, 1992). Based on these observations we posit the following hypothesis:

Hypothesis 4: The greater the employee’s perceived level of empowerment, the more customer oriented behaviour they will display.

Bowen and Lawler (1992) suggested that empowered employees are more satisfied with their jobs and therefore are more enthusiastic whilst serving their customers, which results in a quicker response to customer needs and increased customer satisfaction. Schneider (1980) and Shamir (1980) also found that employees’ role stress and job dissatisfaction are two major factors that contribute to their inability to deliver good service. From this it can be assumed that an increase in role stress and job dissatisfaction leads to a decrease in customer orientation and consequently a decrease in the level of perceived service quality as assessed by the customer.

The empirical evidence on the relationship between job satisfaction and customer orientation is fairly limited and not agreed upon (Rafiq and Ahmed, 2000). A general consensus in the literature until recently has been that job satisfaction positively influences customer orientation. Previous research reports that if the employee is satisfied and happy they are more likely to focus on customer needs and respond to them appropriately. However, Donovan et al’s (2004) empirical research suggests the opposite (i.e. that customer orientation influences job satisfaction). Donovan et al. (2004) argue that an employee from a service firm will already be customer focused (and therefore in the services industry) so this customer orientation will lead to job satisfaction levels. Despite this somewhat logical reasoning, it is not necessary for employees in the service sector to be primarily motivated by serving their customers. Other factors such as monetary rewards, academic suitability and/or role variation (due to the boundary-spanning nature of the front-line employee) may attract employees into
the service sector. Consequently we argue that job satisfaction is an antecedent to customer orientation.

The final three hypotheses are suggested:

*Hypothesis 5a: The greater employees’ perceptions of role ambiguity, the less customer orientated behaviour they will display.*

*Hypothesis 5b: The greater employees’ perceptions of role conflict, the less customer orientated behaviour they will display.*

*Hypothesis 6: The more satisfied employees are with their job, the more customer orientated behaviour they will display.*

### 3 Conceptual framework

A model was developed from extant literature including literature on empowerment (Bowen and Lawler, 1992), job satisfaction (e.g. Schneider, 1980; Niehoff et al., 1990), role stress (e.g. Hartline and Ferrell, 1996; Chebat and Kollias, 2000) and customer orientation (e.g. Honold, 1997; Hartline et al., 1996). Figure 1 displays the relationships between the constructs and implies the relationship between empowerment and customer orientation can be direct or indirect. All hypotheses are positive in direction.

[Insert Figure 1 here]

### 4 Methodology

#### 4.1 Sample

In order to test the model presented in Figure 1, we collected data using self-complete questionnaires from front-line service employees engaged in customer interactions within the banking, IT, pharmaceutical and telecommunication industries. One service firm in each industry was contacted and asked to administer and collect 50 completed questionnaires from front line staff, using a quota sampling technique. A total of 200 usable questionnaires were obtained from front-line service employees. To maintain complete anonymity, completed
questionnaires were returned to appointed managers in sealed envelopes (provided) and picked up by the researcher. Respondents were roughly equally split between male and female (48% male). The majority of respondents were in the age range of 26 to 35 years. All respondents were experienced customer contact personnel, with an average length of frontline service of 3.6 years.

4.2. Measures

Constructs were measured using published multi-item scales that have been used in similar studies and were modified to provide a 7-point Likert type response option anchored at ‘strongly agree’ and ‘strongly disagree’. Empowerment was measured using five items from an autonomy scale adapted by Sims, Szilagyi and Keller (1979). Sample items are ‘I am able to act independently of my supervisor whilst performing my job function’ and ‘I control the pace of my work’.

Job satisfaction was measured using five items adapted from Wood, Chonko and Hunt (1986) and operationalised as an index. Sample items include ‘I am very satisfied with the variety of activities my job offers’ and ‘I am satisfied with the freedom I have to do what I want on my job’.

Role conflict and role ambiguity were measured using items adapted from Rizzo, House and Lirtzman (1970). Sample items are ‘I feel certain about how much authority I have’, ‘I have to do things that should be done differently’, ‘I know what my responsibilities are’ and ‘I work on unnecessary things’.

Customer orientation was measured using four items adapted from the original scale developed by Saxe and Weitz (1982). Sample items are ‘I try to help customers achieve their goals’ and ‘I try to influence a customer by information rather than pressure’.

Several approaches were undertaken to establish the validity of the scales used in this study. In particular it was important to establish the convergent validity of the scale items and the ability of these items to discriminate between the constructs of interest in this study. Tests to establish convergent and discriminant validity were consequently undertaken. These are presented next, along with further evidence to support the validity of the scales used.

Fornell and Larcker (1981) suggest that variance extracted is an appropriate and stringent test of the internal stability of a scale and the convergent validity of its items. Gerbing and Anderson (1988) offer an alternative heuristic: that significant t-values for the item loadings onto the construct of interest support the convergent validity of scale items.
Both assessments of convergent validity were undertaken. All items were found to load significantly onto the constructs that they were used to measure (t value for all items > 3.02). All scales also met the more stringent assessment recommended by Fornell and Larcker (1981) and the variance extracted for all scales exceeds their recommended minimum of 50% (empowerment VE =0.60; role ambiguity VE=0.55; role conflict VE=0.62; job satisfaction VE=0.54; customer orientation VE=0.59).

4.3. Discriminant Validity

Evidence that the scales discriminate between the constructs that they purport to measure is provided by low to moderate correlations among measures (Gerbing and Anderson 1988). The squares of the inter-factor correlations ($\phi^2$), and average variances extracted are reported in Table 1 below. Additional evidence of discriminant validity is provided if the average variance explained by a construct’s items is greater than the construct’s shared variance with every other construct (i.e. the square of the inter-factor correlations between any two constructs ($\phi^2$) (Fornell and Larcker, 1981)). Analysis of the data provides strong evidence of discriminant validity, with the average variance of each construct being greater than its shared variance with any other construct. It is therefore reasonable to assume all of the scales display discriminant validity.

Table 1: Tests for discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>AVE</th>
<th>[Square of inter-factor correlations($\phi^2$)]</th>
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<tbody>
<tr>
<td></td>
<td>Customer Orientation</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>0.59</td>
<td>1.00</td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.60</td>
<td>0.19</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.54</td>
<td>0.18</td>
</tr>
<tr>
<td>Role Ambiguity</td>
<td>0.55</td>
<td>0.32</td>
</tr>
<tr>
<td>Role Conflict</td>
<td>0.62</td>
<td>0.04</td>
</tr>
</tbody>
</table>

4.4. Composite Reliability

Having established that each of the scales measuring various constructs of interest do indeed discriminate between these constructs, the next stage in the analysis was to examine composite reliabilities of each of the scales (Gerbing and Anderson 1988; Hair et al. 1998, p.611). These all exceed the recommended standards of both Bagozzi, Youjae and Phillips,
(1991) and Hair et al. (1998), providing evidence of the internal consistency of the construct indicators (customer orientation CR=0.85; empowerment CR=0.88; job satisfaction CR=0.85; role conflict CR=0.91 and role ambiguity CR=0.88). This suggests that the scale items do indeed measure the latent constructs that they purport to.

4.5. **Method Biases**

The final empirical assessment of the scales was to investigate the presence of systematic measurement errors (bias). The potential for acquiescence bias was minimised by including both positively and negatively worded questions as recommended by Baumgartner and Steenkamp (2001). A further post-hoc test for common method bias, a Harman’s (1967) one-factor test, was performed. All of the self-report items were entered into a principal components factor analysis with varimax rotation. According to this technique, if a single-factor emerges from the factor analysis or one-factor accounts for more than 50% of the variance in the variables, common method variance is present (Mattila and Enz 2002). Our analysis revealed a six-factor structure with no general factor present (the first factor accounted for 16% of the variance). Although this test does not rule out the presence of common method bias, combined with the measures taken in the questionnaire design to minimise acquiescence bias, it does provide support for the absence of such a general bias in the findings (Mattila and Enz 2002).

5 **Analysis of conceptual model**

Having established that the measures used in this study display adequate psychometric properties and appear to be free of systematic bias, the next stage in the research was to test the effects in the hypothesised conceptual model presented in Figure 1 above.

The data were analysed using structural equations modelling, employing partial least squares estimation using SmartPLS 2.0 (Ringle, Wende and Will, 2005). Partial least squares estimation has several important benefits over the maximum likelihood estimation method (Chin, 1998; Fornell and Bookstein, 1982; Hulland, 1999; Wold 1985). PLS path modelling is component based approach to structural equations modelling, as opposed to covariance based (as in LISREL). Consequently, PLS analysis does not require multivariate normal data; it places minimal requirements on measurement levels and is more suitable for small sample sizes.
Analysis reveals support for hypothesis 2 and partial support for hypotheses 1, 3 and 5. The data do not support hypothesis 4 or 6. We find that empowerment does indeed have a significant positive impact on job satisfaction (H2), both directly and operating via role ambiguity (H1a, H3a). However, empowerment appears to have no significant impact on role conflict (H1b). As hypothesised, we find that role ambiguity has a significant detrimental impact on both job satisfaction and customer orientation (H3a, H5a). In this sample, role conflict does not play a significant role in determining either the satisfaction of employees or their customer orientation (H3b, H5b).

In evaluating the adequacy of this structural model two main criteria are used: path coefficients and the $R^2$ of the latent endogenous variables. Chin (1998) suggests that path coefficients should exceed 0.1 - 0.2. In this model we see that all path coefficients exceed the lower 0.1 level and the majority exceed the higher 0.2 level, suggesting that the models adequately fits the data. A further test of model fit is provided by the $R^2$ for the latent endogenous variables. Chin (1998) suggests that $R^2$ of ~0.66 substantial model fit, $R^2$ ~0.35 moderate and $R^2$ ~0.17 weak model fit. Using these criteria it appears that this model fits the data weakly to moderately well. However, the relatively low $R^2$ explained in this study should not be considered to indicate poor data per se; we would not expect empowerment to explain all of the role stress that employees feel, neither would we expect that empowerment or role stress would explain all of an employee’s satisfaction with their job; other factors such as pay, colleagues, promotion prospects etc. would also be expected to have a significant impact and, indeed, other studies have shown this to be the case. Our objectives were to establish if empowerment had an impact and, if so, what the magnitude of this impact might be.

### 6 Discussion and conclusion

Hypotheses 1a and 1b predict that empowerment reduces role stress (both role conflict and role ambiguity). Our results suggest empowerment has significant impact on role ambiguity but not on role conflict. Thus these results are only partially consistent with previous research such as Bowen and Lawler (1992) Gandz and Bird (1996), Koberg et al. (1999) and Chebat and Kollias (2000) which report that increasing levels of empowerment decreases both role conflict and role ambiguity. On the contrary, the results from the present study suggest that
empowerment reduces confusion regarding job related tasks but not the conflict arising between managers’ and customers’ demands. Thus, although employees appear more confident in their jobs, they may still experience role conflict as they try to balance the multiple demands put upon them by managers and customer alike.

Hypothesis 2 predicted that increasing empowerment levels will increase job satisfaction levels. This was found to be true, and supports the work of many researchers such as Chebat and Kollias (2000), Koberg et al. (1999) and Bowen and Lawler (1992). The general consensus of these researchers is that empowered employees feel more motivated and enthusiastic about their jobs, leading to increased job satisfaction.

Our findings contradict those of Hartline and Ferrell (1996) who report that empowerment increases both role conflict and ambiguity, leading to reduced job satisfaction. One reason for these inconsistent results could be the context of the research. Hartline and Ferrell collected data from three hotel chains offering services in the middle to high price and quality range. In this context service employees may be more likely to have high levels of contact with both customers and managers and consequently are likely to perceive any conflicting demands more readily than when either customers or managers are more distant. Similarly, hotel employees may be expected to personalise the service that they offer to customers more than in the banking, IT, pharmaceutical or telecommunication industries. These industries, especially IT, banking and telecommunications, are typified by clear product and service offerings which are more standard than in a hospitality context and less likely to be personalised. It would be reasonable to assume that when a high degree of personalisation is necessary, while service employees may know what they have to achieve in terms of service delivery, they may be less certain of the best way to achieve this, i.e. how to best personalise the service. Consequently, role ambiguity would increase, with a corresponding detrimental impact on job satisfaction.

Hypotheses 3a and 3b predicted that an increase in role ambiguity and role conflict would lead to a decrease in job satisfaction. Our results suggest role ambiguity has a significant impact on job satisfaction but role conflict does not. This is consistent with the work of Chebat and Kollias (2000) and may indicate that employees learn to cope with the various conflicting demands made of them and accept this as a normal part of their work role. Consequently, employees may be more able to treat tasks independently and deal with them to the best of their ability. On the other hand, when employees experience uncertainties relating to how they should fulfil their tasks, their overall satisfaction with their work is reduced.
Therefore, role ambiguity has a more significant impact on job satisfaction than does role conflict.

Hypothesis 4 predicted that an increase in employee empowerment would result in an increase in customer orientated behaviour. This hypothesis was not supported at the 5% significance level (although it was supported at the 10% level). These findings suggest tentative support for a direct and positive relationship between empowerment and customer orientation, adding partial support for previous research (e.g. Shamir, 1980; Bowen and Lawler, 1992; Cardy, 2001).

Hypotheses 5a and 5b predicted that an increase in role ambiguity and role conflict would lead to a decrease in customer orientation. Only hypothesis 5a was supported. This again suggests that employees may learn how to deal with conflicting demands typical in their roles, and such conflicts do not impact their ‘beliefs about putting the customers first’. However, it appears that when employees are uncertain of how to perform their job they lose sight of the customer primacy inherent in customer orientation, perhaps as they become motivated to resolve issues of working out how to deliver the service rather than delivering the service itself.

Hypothesis 6 predicted that job satisfaction has a positive impact on customer orientation. Surprisingly this was not supported, which is inconsistent with some studies (e.g. Bowen and Lawler, 1992) but consistent with the work of Siguaw et al. (1994). It could be possible that job satisfaction is not a primary governing factor for increasing customer orientation, and that there are other factors that contribute to an employee’s willingness to deliver good service which were not measured in this study. For example, organisation citizenship behaviours which are constructive behaviours directed to the organisation (Donovan et al., 2004) may influence customer orientation levels. Similarly, rewards, leadership, training and communications have also been shown to impact customer oriented behaviours. It seems logical that if an employee perceives they are appropriately rewarded for serving their customers well they will want to be more customer oriented.

The findings from the current study contradict some major theories tested and proven by researchers like Chebat and Kollias (2000), Niehoff et al. (1990) and Hartline & Ferrell (1996), particularly those relating to the impact of role conflict. A possible explanation for this is the research settings used in ours and previous studies. Much of the previous work in this area utilised respondents drawn from high contact services where contact between the employee and the customer may have driven personalisation of the service. It is reasonable to assume that the level of personalisation that an employee is required to engage in would affect
their perceptions of the variability of customers’ needs. Our research, in contrast, drew on a sample of customer contact staff who have very little scope to personalise the service that they deliver. Consequently, these differences in job requirements, such as level and nature of personalisation required, may contribute to different responses to empowerment amongst front-line employees. Similar conclusions may be drawn by contrasting the findings of Hartline and Ferrell (1996) from the hospitality industry with those of Chebat and Kollias (2000) from the banking industry. Both studies drew from respondents with considerable customer contact however, customer requirements in the hospitality industry are likely to require more personalisation than in the banking industry, in which the offering is fairly standard. This may explain why empowering employees in the hospitality industry led to increases in role stress and an indirect decrease in job satisfaction (Hartline & Ferrell, 1996) whereas empowering employees in the banking industry led to decreases in role stress and an increase in job satisfaction.

An additional reason for the inconsistent findings resulting from this study may be due to the fact that empowerment remains ill-defined in both marketing and management literature (Fock, et al., 2002). Whilst reviewing the existing empowerment literature, it seems plausible that the conflicting views are attributable to the different conceptualisations of empowerment that are adopted by different researchers in their respective studies. Researchers tend to focus on only a single aspect of empowerment and this may be inadequate to explain the multitude of effects it may have in the workplace. Early use of the empowerment construct considered it to be a management technique involving the sharing and delegation of power and control between managers and their employees (Kanter, 1983). Conger and Kanungo (1988) reported that through the sharing and delegation of power, employees are more likely to achieve their desired outcomes as they are given the flexibility and discretion to manage relationships with their customers, rather than being restricted to organisational rules and procedures. They termed this relational empowerment. Subsequent research involved adopting this conceptualisation of empowerment (see for example Hartline and Ferrell, 1996; Chebat and Kollias, 2000; Hui et al., 2004).

Conger and Kanungo (1988) discuss the shortcomings of conceptualising empowerment as merely a management technique which only focuses on power and control. They assert that “most management theorists … have not paid sufficient attention to its nature or the processes underlying the construct”. Conger and Kanungo subsequently defined empowerment as a motivational process. However, empirical studies have not considered both aspects of empowerment simultaneously, and conflicting views remain. In other words, it is
still unknown whether the positive and possible negative effects of empowerment are due to relational empowerment, psychological empowerment, or a combination of both of these aspects.

Our results suggest that although empowerment has little impact on the underlying conflict between employees and their managers and/or customers, it does increase employee confidence in their abilities to perform their jobs. Thus, empowered employees are more positive about how to perform their jobs, which may help them to cope with the multiple demands put upon them in their boundary spanning roles. Furthermore, the results indicate that empowerment positively influences both customer orientation (although this is a less significant relationship) and job satisfaction levels. These findings are of importance to managers, as empowered employees do indeed appear to have a greater focus on the needs of their customers.

According to the marketing concept, customer needs should be the focus of the firm as there is an explicit assumption that customer-oriented firms outperform competitors by anticipating and responding to the developing needs of customers (Brady and Cronin, 2001). Hence, it becomes necessary for managers to focus their attentions on the implementation of empowerment. For example, continual training and information sharing may encourage employees to make more decisions in the best interests of the organisation and control their work process more (Pfeffer, 1994). However, managers also need to find ways to reduce role conflict as the increased frustration may intensify negative outcomes of empowerment. Again, open communication between managers and employees may help alleviate some of their conflict, enabling employees to concentrate more on the conflicting demands of their customers.

As with other studies, this study was not without its limitations. First, the way the questionnaires were distributed relied on the chosen firms adhering to our instructions; an element of bias could have been introduced here. Second, this study was conducted across four different settings in certain divisions and so the results cannot and should not be generalised for the whole industry. Therefore the results produced are more specific to their environment and the nature of the contact position rather than to the industry.

Future research should concentrate on incorporating both relational and psychological aspects of empowerment to help explain the conflicting views (see for example Fock et al., 2002; Hui et al., 2004). Also, a larger, more diverse sample could be included. Additionally, a dyadic study could be conducted to see if the end customer was actually satisfied through the empowerment of the employee. The effects of demographics could also be taken into account.
to see if gender, age, salary, position and/or length of service affect empowerment levels and associated behaviours.

References


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**Figure** Error! Main Document Only. Conceptual Framework
EMPOWERMENT

ROLE
CONFLICT
R²=0.012

ROLE
AMBIGUITY
R²=0.295

CUSTOMER
ORIENTATION
R²=0.351

JOB
SATISFACTION
R²=0.476

H₁a: -0.546

H₂: 0.318

H₃a: -0.397

H₅a: -0.499

H₁b: NS

H₂b: NS

H₃b: NS

H₅b: NS

Not Significant at 5%

Significant at 5%