

Empowerment and customer-oriented behavior of employees

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ABSTRACT: By giving priority to the customer interests and desires, the interests and goals of organization are considered and based on the customers, the long-term benefits of organization are provided. Based on the importance of the role of human resources, increasing empowerment of employees in organizations has received much attention. The present study considered both mechanic and organic approaches of empowerment and also evaluated their impact on customer-oriented behavior of great importance for current organizations namely service organizations. The present study is applied in terms of purpose and descriptive and correlation in terms of method. The study population is including 124 employees of educational services units of Medical Sciences University of Isfahan. Three questionnaires applied in the previous valid researches are distributed among 80 people. This study tested the reliability and validity by Cronbach's alpha coefficient and confirmatory factor analysis and in second order factor analysis, the model fitness was supported. The data were analyzed by descriptive and inference statistics techniques. The study hypotheses are investigated by regression and the impact of demographic variables on study variables was investigated by variance analysis test. The results showed the impact of organizational empowerment on customer-oriented behavior of employees and the lack of impact of psychological empowerment on customer-oriented behavior of employees. It was found that demographic factors had no significant impact on the views of respondents.

KEYWORDS: Organizational empowerment, Psychological empowerment, Customer-oriented behavior of employees

1 INTRODUCTION

In organizations and offices related mostly with their customers, the lack of correct relationship with customer can have negative outcomes for organizations. The employees namely in service companies should behave well with their customers. Thus, the environment in service organizations should be as the employees can and try to develop their customer-oriented behavior. According to Christian Gronroos (1984) in his triangle theory of services, external customers can be satisfied with the products and services, if the employees are considered as internal customers. Customer-oriented training for employees should be mostly regarding changing attitudes than training the skills. The training should be as the employees themselves "want" to help the customer than telling them or ordering them. This goal is not fulfilled unless by employees empowerment. People empowerment means encouraging people for more participation in decision making effective on their activity. The space should be provided for people to create good ideas and turn them into practice. Empowerment is a vital element of business in new world. Some goals as close relation to customer, improving after sale services, continual presentation of innovation, increasing productivity and competitiveness are achieved for organizations finding new methods for empowerment of their employees (Smith Jane, 2000).

Training is one of the basic infrastructures of development in any country and considering training namely high education is one of the important concerns of decision makers and planners. The missions of high education are universal as they are not considered as a section activity. In recent years, the increase of effective demand of people and households for high education services and the increase of investment in high education and increasing demand for boarding schools and non-profit universities and creating a good ground for diversity of high education and the increase of demand for parallel movements of high education can be observed. The development of social demand to enter high education in case of increasing admission changes cultural, social and political attitude in society (The report of management and planning organization of country, 2005). Thus, among other service sectors, education sector is of great position. In addition, in our country, a developing field is toward to exiting state exclusion. Thus, the investigation of the methods of improving performance is one of the necessities.

Bowen & lawler (1995) described the benefits of employees' empowerment in service organizations as:

- Empowered employees meet the customers' demands rapidly and timely during service delivery.
- Empowered people give rapid and timely responses to the dissatisfied customers during returning the services.
- Empowered employees have better feeling to themselves and their job
- Empowered employees accept customers warmly
- Empowered employees can be a great source of service thoughts

As educational services units of high education institutions present one of the most important services to people, in case of having empowered forces based on the increasing demand of education has great influence on satisfaction in society. Other requirements of this study are environment changes including technology progress and maximum use of capacity of people with the reduction of human resources. Today, most of the managers know empowerment of experts and dealing with it are not only real competitive advantage of organizations, people and their experts, but also for the success of organization, the experts are actively involved in works. The term empowerment is consistent via thoughtful use of human resources to achieve organizational effectiveness with this issue. Conger and Kanungo (2005) consider it the main component of organizational and management effectiveness.

The present study aimed to evaluate the impact of organizational and psychological empowerment on customer-oriented behavior of the employees to use the relevant processes of empowerment of human resources to affect the good behaviors of organization and achieving expected results. There are two main hypotheses and eight subhypotheses as follows:

MAIN HYPOTHESIS

1. Organizational empowerment is effective on customer-oriented behavior of employees.
2. Psychological empowerment is effective on customer-oriented behavior of employees.

SUBHYPOTHESIS

1. Dynamic structural framework is effective on customer-oriented behavior of employees.
2. Controlling the organization decisions is effective on customer-oriented behavior of employees.
3. Information sharing is effective on customer-oriented behavior of employees.
4. Meaningfulness is effective on customer-oriented behavior of employees.
5. Competence is effective on customer-oriented behavior of employees.
6. Choice is effective on customer-oriented behavior of employees.
7. Effectiveness is effective on customer-oriented behavior of employees.
8. Participation with others is effective on customer-oriented behavior of employees.

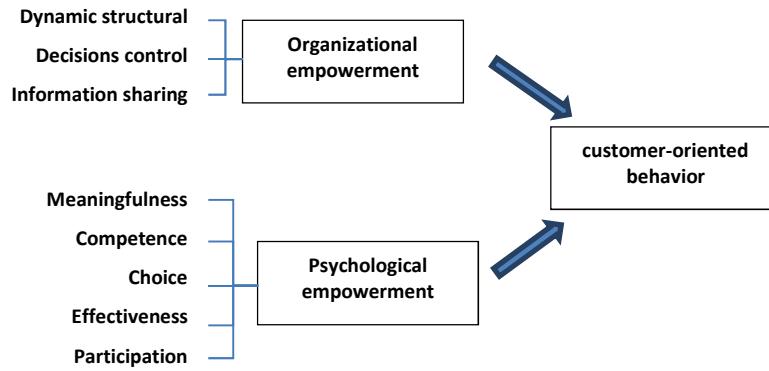


Fig 1. Conceptual model of study, based on RutaKazlauskaitė et al., 2012

2 THEORETICAL BASICS

RutaKazlauskaitė et al., (2011) in a study "organizational and psychological empowerment regarding human resources management and performance in hotels of Lithuania presented a model by which a positive relation was between organizational empowerment (independent variable) and customer-oriented behavior (dependent variable). Also, there was a positive relation between psychological empowerment and commitment (moderating variable) and customer-oriented behavior. They evaluated the impact of job satisfaction on customer-oriented behavior as little. They found the moderating impact for employee attitudes between organizational empowerment and customer-oriented behavior. Their task is based on two approaches regarding empowerment and its effects:

Mechanical or communication view, the followers consider empowerment equal to decision power to lower ranks of organization.

Organic or cognitive view, its followers consider empowerment a multi-dimensional concept as based on the perceptions and beliefs of employees to their role in job and organization as internal motivation process of employees of the relevant duties.

Two famous models determining the problem better are as follows:

BOWEN & LAWLER MODEL

According to Bowen &Lawler, access to information plays important role in decision making and it leads to empowerment. These theorists consider empowerment factor four organizational components:

- 1 Information regarding organization performance
- 2 Reward based on organizational performance
- 3 Power to take effective decisions on organization direction
- 4 Power to take effective decisions on organization performance

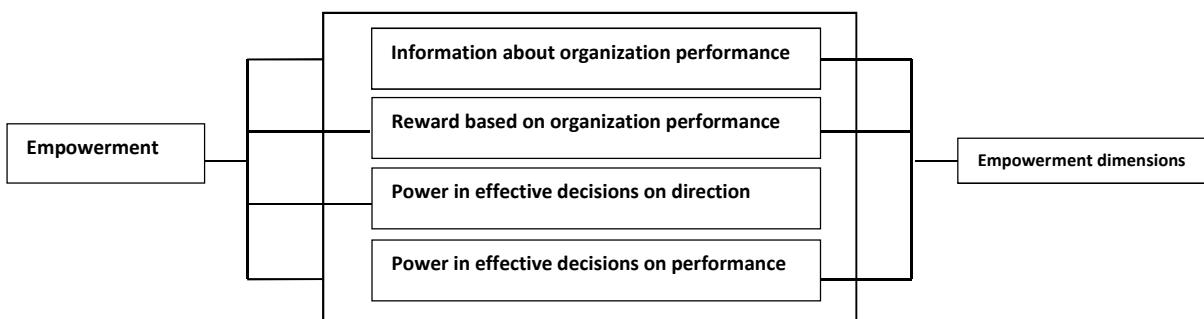


Fig 2. Bowen &Lawler empowerment model (source: Lee and Koh, 2001)

SPREITZER MODEL

Spreitzer (1995-1996) based on Thomas & Velthouse model considered psychological empowerment as a motivational concept based on four dimensions of competence, autonomy (choice), meaning and effectiveness and these dimensions reflect personal direction to the role of work in organization.

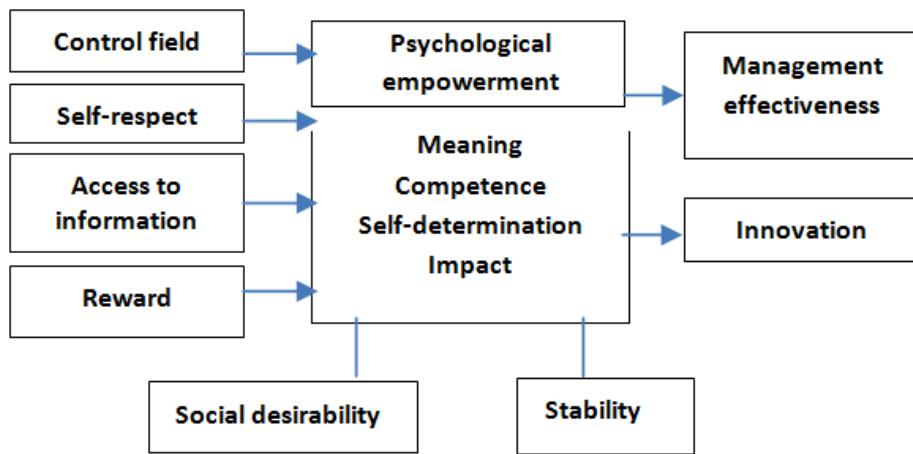


Fig 3. Spreitzer empowerment model 1996

3 STUDY METHODOLOGY

The study population is including all employees working in educational service units of Medical Sciences University of Isfahan including educational deputy, relevant management and educational services, nine colleges of University and 124 people were selected and the sample size is determined by the following formula.

$$n = \frac{N \times z_{\alpha}^2 \times s^2}{(N - 1) \times d^2 + z_{\alpha}^2 \times s^2} \quad n = \frac{124 * (1.96)^2 * 0.146}{123 * (0.05)^2 + (1.96)^2 * 0.146} = 80$$

Where N is the number of sample size and s^2 is variance of initial sample. In this study, the sample size is 124 and initial sample variance 0.146. Also, Z is normal variable in accordance to confidence interval and this value with confidence interval 0.95 is 1.96. D is allowable mistake in sampling as ranging 0 to 1 and it is 0.05 in this study.

To measure organizational empowerment, questionnaire of Matthews, Diaz & Cole(2003) is used composed of 23 items and 3 components "dynamic structural framework", "organization decisions control" and "Information sharing".

To measure psychological empowerment, Spreitzer (1995) questionnaire is used by adding "participation with others" applied in the study of "Abdullahi, 2005" and Abdullahi and Nave Ebrahim, 2007" including 19 items and five components of meaningfulness in job", "competence in job" and "choice", "effectiveness" and "participation with others".

To measure customer-oriented behavior of employees, "Peccei; Rosenthal (2001) questionnaire is applied composed of 6 items.

Then, by Cronbach's alpha method, the reliability of questionnaires is evaluated:

Table1. The items and Cronbach's alpha of subscales of questionnaire

Factors	Items	Cronbach's alpha
Customer-oriented behavior	1-6	0.730
Dynamic structural framework	1-7	0.856
Control of decisions	8-14	0.773
Information sharing	15-23	0.817
Total organizational empowerment	1-23	0.902
Meaningfulness	1-3	0.730
Competence	4-7	0.753
Choice	8-10	0.903
Effectiveness	11-13	0.786
Participation with others	14-19	0.881
Total psychological empowerment	1-19	0.931

Then, confirmatory factor analysis method is applied and the indicators of customer-oriented behavior with value λ (factor loads) have factor load at least 0.38 to maximum 0.96. All the factor loads had relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of structural behavior with value λ (factor loads) have factor load at least 0.58 to maximum 0.80. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of decisions control with value λ (factor loads) have factor load at least 0.03 to maximum 0.92. All the factor loads have relatively suitable values for estimation and all of them are significant except one ($P<0.01$).

The indicators of information sharing with value λ (factor loads) have factor load at least 0.36 to maximum 0.72. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of meaningfulness with value λ (factor loads) have factor load at least 0.53 to maximum 0.88. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of competence with value λ (factor loads) have factor load at least 0.49 to maximum 0.94. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of choice with value λ (factor loads) have factor load at least 0.83 to maximum 0.95. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of effectiveness with value λ (factor loads) have factor load at least 0.68 to maximum 0.80. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The indicators of participation with others with value λ (factor loads) have factor load at least 0.59 to maximum 0.84. All the factor loads have relatively suitable values for estimation and all of them are significant ($P<0.01$).

The questions of all components were suitable as the model fitness indices in confirmatory factor analysis are suitable.

In the next stage, latent variable of organizational empowerment is evaluated by three latent factors of structural framework, decisions control and information sharing. Also, structural framework is measured by seven indicators, control of decisions by seven indicators and information sharing by seven indicators. To define whether implementing organizational empowerment is evaluated accurately by three factors and these factors are evaluated accurately by the indicators of each factor, second order confirmatory factor analysis is used and the results are presented briefly as follows:

Table2. Standard factor loads of confirmatory factor analysis in second stage for organizational empowerment

Factor		Factors
Organizational empowerment		
** 0.70		Structural framework
** 0.61		Control of decisions
** 0.86		Information sharing

Table3. Fitness indicators of confirmatory factor analysis of organizational empowerment model

Acceptable range	Achieved value	Index
-	269.94	χ^2
-	184	Df
Less than 0.08	0.077	RMSEA
About 1	0.91	NFI
About 1	0.92	CFI
About 1	.90	GFI
About 1	0.85	AGFI

Based on the results of tables, the indicators of organizational empowerment in the designed model are suitable factors and indicators as the model fitness indices in second order confirmatory factor analysis are suitable and the model fitness is shown. RMSEA is equal to 0.077 and it is an acceptable value in model fitness. Other fitness indicators as NFI·CFI ·IFI ·AGFI, GFI with values about 1 are considered as relatively good indices of model fitness.

Table4. Standard factor loads of confirmatory factor analysis in second stage for psychological empowerment

Factor		Factors
Psychological empowerment		
** 0.67		Meaningfulness
** 0.94		Competence
** 0.84		Choice
** 0.97		Effectiveness
** 0.95		Participationwith others

Table5. Fitness indices of confirmatory factor analysis of psychological empowerment model

Acceptable range	Achieved value	Index
-	196.83	χ^2
-	142	Df
Less than 0.08	0.070	RMSEA
About 1	0.90	NFI
About 1	0.92	CFI
About 1	0.89	GFI
About 1	0.82	AGFI

Based on the results of tables, the indicators of psychological empowerment in the designed model are suitable factors and indicators as the model fitness indices in second order confirmatory factor analysis are suitable and the model fitness is shown. RMSEA is equal to 0.070 and it is an acceptable value in model fitness. Other fitness indicators as NFI·CFI ·IFI ·AGFI, GFI with values about 1 are considered as relatively good indices of model fitness.

After taking these stages, 90 questionnaires are distributed as simple random and 80 acceptable questionnaires are collected for data classification. Then, the descriptive statistics of data is presented and by regression analysis, the study hypotheses are investigated and the suitable models are evaluated. Then, by variance analysis test, the impact of demographic variables on study variables is investigated. The analyses are done by SPSS20 Software.

4 FINDINGS

At first, by kolmogorov smirnov test, normality of study data is investigated. As significance level of each variable is bigger than 0.05, the study variables are normal ($P>0.05$).

Table6. Test of normality condition of data

	Customer-oriented behavior	Dynamic structural framework	Control of decisions	Information sharing	Meaningfulness	Competence	Choice	Effectiveness	Participation with others
Mean	4.2975	2.3732	2.0818	2.2599	3.5958	2.6812	2.5708	2.6542	2.4113
SD	0.4487	0.72904	0.63875	0.62579	0.87583	0.8805	1.03551	0.94048	0.88639
kolmogorov smirnov	1.291	0.765	0.649	0.64	0.63	1.009	0.99	0.954	0.984
Significance level	0.071	0.603	0.73	0.741	0.78	0.26	0.28	0.323	0.287

MAIN HYPOTHESIS TEST

- 1 Organizational empowerment is effective on customer-oriented behavior of employees.

By regression test, this hypothesis is tested. The results are shown in two tables. Significance level of F statistics test is less than 0.05. Thus, this hypothesis is supported and we can say organizational empowerment is effective on customer-oriented behavior of employees.

Table7. Indices of regression model of customer-oriented behavior based on organizational empowerment

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	StatisticsF	Significance level
.68	.74	.62	6.202	.015

Table8. Regression results of customer-oriented behavior based on organizational empowerment

Model	Raw coefficients		Beta	T	Significance level
	B	Standard error			
Constant	4.793	.205		23.388	.000
Organizational empowerment	.221	.089	.271	2.490	.015

The adjusted coefficient of determination of the model is 0.62 and 62% of the changes of customer-oriented behavior are determined by organizational empowerment. We can present the following equation to predict customer-oriented behavior based on organizational empowerment:

$$\text{Customer-oriented behavior} = 4.793 + 0.221 \text{ Organizational empowerment}$$

Based on the above equation, for one unit increase in organizational empowerment, 0.221 units are added to customer-oriented behavior.

2 Psychological empowerment is effective on customer-oriented behavior of employees.

This hypothesis is tested by regression test. The results are shown in Table. The significance of F statistics is above 0.05 and this hypothesis is not supported and psychological empowerment is not effective on customer-oriented behavior of employees. Also, the correlation coefficient and coefficient of determination are calculated as little.

Table9. Indices of regression model of customer-oriented behavior based on psychological empowerment

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	F statistics	Significance level
.1	.01	.13	.7	.895

Among subhypotheses as significance level of F statistics test is above 0.05, the hypotheses are not supported and only the impact of two components “control of decisions” and “information sharing” is supported:

1. The control of organization decisions on is effective on customer-oriented behavior of employees.

This hypothesis is tested by regression test. The results are shown in two tables. The significance level of F statistics is less than 0.05 and this hypothesis is supported and we can say the control of organization decisions is effective on customer-oriented behavior of employees.

Table10. Indices of customer-oriented behavior regression based on controlling the decisions of organization

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	F statistics	Significance level
.761	.58	.46	4.805	.031

Table11. The regression results of customer-oriented behavior based on controlling the decisions of organization

Model	Raw coefficients		Beta	T	Significance level
	B	Standard error			
Constant	4.650	.168		27.676	.000
Control of decisions	.169	.077	.241	2.192	.031

The adjusted coefficient of determination of the model is 0.46 and 46% of the changes of customer-oriented behavior are determined by control of decisions. We can present the following equation to predict customer-oriented behavior based on control of decisions:

$$\text{Customer-oriented behavior} = 4.650 + 0.169 \quad \text{Control of decisions}$$

Based on the above equation, for one unit increase in control of decisions, 0.169 units are added to customer-oriented behavior.

2. Information sharing is effective on customer-oriented behavior of employees.

This hypothesis is tested by regression test. The results are shown in Table. The significance of F statistics is above 0.05 and this hypothesis is not supported and we can say information sharing is effective on customer-oriented behavior of employees.

Table12. Indices of regression model of customer-oriented behavior based on information sharing

Correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	F statistics	Significance level
.916	.84	.73	7.195	.009

Table13. The regression results of customer-oriented behavior based on information sharing

Model	Raw coefficients		Beta	T	Significance level
	B	Standard error			
Constant	4.768	.182		26.189	.000
Information sharing	.208	.078	.291	2.682	.009

The adjusted coefficient of determination of the model is 0.73 and 73% of the changes of customer-oriented behavior are determined by information sharing. We can present the following equation to predict customer-oriented behavior based on information sharing:

$$\text{Customer-oriented behavior} = 4.768 + 0.208 \text{ Information sharing}$$

Based on the above equation, for one unit increase in control of decisions, 0.208 units are added to customer-oriented behavior. Later, the mean of the rank of studied variables is compared by Friedman test and it was defined the importance of study factors or variables is not equal from the view of respondents as the significance level is less than 0.05 as the rank of mean of the various dimensions of study is not equal. The mean of rank of customer-oriented behavior of employees and dynamic structural framework among the subscales of organizational empowerment and meaning among the subscales of psychological empowerment are more than other factors.

Table14. The results of Friedman test

Chi-square	294.404
Degree of freedom	8
Significance level	.000

Finally, to investigate the equality or difference of the variables in various dimensions in the studied population and based on the demographic features of respondents, the variance analysis test is used and it is found the demographic factors have not significant impact on the views of respondents as the significance of these factors is above 0.05 and it means that these factors are not different from the view of respondents with "age", "education", "experience" and "gender".

5 DISCUSSION AND CONCLUSION

The result of this study doesn't support the impact of psychological empowerment and its components on customer-oriented behavior of employees and the impact of organizational empowerment on customer-oriented behavior of employees is supported but among three components of organizational empowerment, dynamic structural framework is not effective on customer-oriented behavior of employees. Indeed, the modified model is determined as follows:



It is better to consider two components of control of decisions and information sharing on customer-oriented behavior of employees. After reviewing the items of two effective components, most of them are based on legal rules and their change is not possible to improve the condition and performance easily. It shows that there are some fundamental problems for managers to improve good behaviors of employees working in service providing system of the country and educational service is one of them. Indeed, its major part effective on customer-oriented behavior of employees is not flexible and it is

not only due to the complexity and inflexibility of rules but also for power and politics in organization. Indeed, a few managers are in our country to present the financial documents to employees. We can have a review of items of two components:

- Employees can give their opinions regarding determining their job responsibilities.
- Employees can give their opinions regarding determining standards of presenting their services.
- Employees can give their opinions to determine their wage.
- Employees can give their opinions in work teams as their members.
- Employees can give their opinions to employ and use new employees.
- Employees can give their opinions to create their pension plans.
- Employees give feedbacks to their manager.
- The financial documents of organization are presented to employees.
- The organization has efficient method to distribute information among the employees in all levels.
- Employees have access to the information of their personal work files.
- The organization publishes the information of reward structure.
- The organization publishes the information of customers' structure and client.
- Employees have technical knowledge regarding professional development plans presented by organization.
- Employees receive feedback regarding their performance in organization.
- Employees perceive the transfer of information in the entire organization.
- Employees can give opinion regarding the work procedures and services.

It is observed that the studied employees in research of the issues much basic than relevant components and items of psychological empowerment are effective on the performance of their behavior.

This study attempted to consider the reliability and validity of study instrument and accuracy in the stages before analysis to provide reliable results but it doesn't mean the results of study can be generalized to other fields and it needs the more investigations namely in organizations of our country as different from other European and American countries in terms of ownership, culture and power distribution. We cannot expect that we have some results close to the predictions as arising from the literature of issue as the review of literature is mostly regarding the communities with advanced academic structure.

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