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Frontline employee empowerment and perceived customer satisfaction

Frontline
employee

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Abstract

Purpose – The purpose of this paper is to examine the influence of structural empowerment, psychological empowerment and intrinsic motivation on perceived customer satisfaction in contact centers.

Design/methodology/approach – A questionnaire was conducted among 703 employees of a contact center. Data analysis was based on structural equation modeling.

Findings – Structural empowerment results in higher levels of perceived customer satisfaction through psychological empowerment and intrinsic motivation. Furthermore, structural empowerment effect on psychological empowerment is mediated by intrinsic motivation.

Practical implications – Previous predictions regarding counterproductive impact of empowerment in a low-service heterogeneity sector, such as contact center are challenged and a transformative message is disclosed in what concerns human resource management (HRM) in contact centers.

Originality/value – The research provides valuable insights for both scholars and practitioners regarding the process through which employees' psychological empowerment and intrinsic motivation improves customer satisfaction in the context of contact centers.

Keywords Customer satisfaction, Intrinsic motivation, Psychological empowerment, Contact centers, Structural empowerment

Paper type Research paper

Resumen

Meta – La investigación analiza la influencia de la potenciación estructural, la potenciación psicológica y la motivación intrínseca en la satisfacción percibida del cliente en los centros de contacto.

Metodología / enfoque – Se realizó una encuesta entre 703 empleados de un centro de contacto. El análisis de datos se basa en modelos de ecuaciones estructurales.

Resultados – La potenciación estructural resulta en niveles más altos de satisfacción percibida del cliente a través de la potenciación psicológica y la motivación intrínseca. Además, el efecto de potenciación estructural en la potenciación psicológica está mediada por la motivación intrínseca.

Implicaciones prácticas – Predicciones anteriores sobre el impacto contraproducente de la empoderamiento en un sector de servicios de baja heterogeneidad, tales como centros de contacto, tienen el reto y un mensaje de transformación se da a conocer en lo que se refiere la GRH en los centros de contacto

Originalidad/valor – La investigación proporciona información valiosa tanto para los estudiosos y profesionales sobre la importancia de la potenciación psicológica y la motivación intrínseca de los empleados en la satisfacción del cliente en el contexto de los centros de contacto



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Palabras clave – Empoderamiento estructural, Empoderamiento psicológico, Satisfacción del cliente, Motivación intrínseca, Centros de contacto
Tipo de artículo Artículo de investigación

Resumo

Objetivo – A pesquisa analisa a influência do *empowerment* estrutural, *empowerment* psicológico e motivação intrínseca na satisfação do cliente percebida, em centros de contacto.

Metodologia/abordagem – Um questionário foi realizado entre 703 funcionários de um centro de contacto. A análise dos dados foi baseada em modelos de equações estruturais.

Resultados – O *empowerment* estrutural resulta em níveis mais elevados de satisfação do cliente percebida através do *empowerment* psicológico e da motivação intrínseca. Além disso, o efeito de *empowerment* estrutural no *empowerment* psicológico é mediado pela motivação intrínseca.

Implicações práticas – São desafiadas as previsões anteriores sobre o impacto contraproducente de empoderamento num sector de serviços de baixa heterogeneidade, como os centros de contacto, e uma mensagem de transformação é veiculada no que diz respeito à GRH em centros de contacto.

Originalidade/valor – A pesquisa possibilita reflexões valiosas, para ambos os académicos e profissionais, sobre a importância do *empowerment* psicológico e da motivação intrínseca dos funcionários na satisfação do cliente em contexto de centros de contacto.

Palavras chave Capacitação Estrutural, Eapacitação psicológica, Satisfação do cliente, Motivação, Centros de contato

Tipo de artigo Artigo de investigação

1. Introduction

Services are characterized by simultaneity of production and consumption, requiring flexible employees, able to anticipate and adapt to customer needs and respond effectively to complaints. We believe that in this context, employees' empowerment can contribute positively to a better provision of service and, consequently, to customer satisfaction (CS). In the services sector, being able to perceive CS is closely linked to the service encounter (Lin, 2002). The contact between an employee and a customer represents the connection between an organization and the customer, and so employee performance is particularly critical. Furthermore, most of the time, customer perception depends on this contact, rather than service quality (Berry *et al.*, 1985).

Empirical studies relating initiatives of empowerment of contact personnel with CS are scarce (Yagil, 2006). The majority of studies just suggests this relationship (Bowen and Lawler, 1992; Rafiq and Ahmed, 1998) or assumes a restrict concept of empowerment (Ugboro and Obeng, 2000; Ahearne *et al.*, 2005; Baird and Wang, 2010) or looks at the relationship between empowerment practices and service quality (Ueno, 2008). Given that service quality is mostly defended as predecessor of CS in the literature (Oliver, 1993), this study aims to go further in assessing the relationship of empowerment with CS.

Yagil and Gal (2002) concluded that the service climate has a direct positive effect on the perception of control and empowerment during the service encounter by the employee and an indirect positive effect on CS. On the other hand, several studies, such as Hocutt and Stone (1998), have demonstrated a positive relationship between the behaviors of frontline employees and CS, without focusing on employee empowerment.

Such studies reinforce this research that aims at contributing to empowerment literature by analyzing both the importance of the organizational perspective of empowerment or structural empowerment (SE), and the psychological perspective of empowerment (PE) to CS in the service sector. Also, the research aims at extending empowerment literature by

proposing intrinsic employee motivation (IM) as an explanation (or an important mediator) of the relationship between SE and PE.

Front-line employees at contact centers are examined, since these have become an important tool for organizations to establish direct communication and relations with their customers and for providing greater CS. The main objective of call center operations is customer service and the delivery of high levels of CS (Jaiswal, 2008). With call centers the service encounter is performed via telephone, which differs from a face-to-face service encounter where tangible factors are more at stake in customer perception of service quality. With telephone service, interpersonal traits such as responsiveness, assurance, empathy and reliability (Jaiswal, 2008) are also very important to the customer experience.

Although standardization of processes and lower levels of perceived empowerment are widely attributed to call centers' work context (Dean, 2004; Holdsworth and Cartwright, 2003), other authors contradict these ideas. Robinson and Morley (2006) suggest that we have been seeing a trend away from a production-line approach in call centers, in exchange of empowerment and discernment of employees. Similarly, Korczynski (2001) emphasizes contradictions in call centers' management: on the one hand, the author found evidence for strengthening the employees' autonomy given their need to solve customers' problems, and on the other hand, there is evidence the entire interaction with the customer follows a previously defined pattern. Therefore, our aim is to contribute to the debate on empowerment in contact centers.

If the study leads to the conclusion that, in a sector traditionally associated with the standardization of processes, there is a positive relationship between employee empowerment and CS, the result will be highly significant for the provision of empowerment, which involves, to a great extent, job enrichment instead of standardization.

2. Employee empowerment: structural and psychological empowerment

The underlying principle of empowerment is that employees are a resource with knowledge and experience and are interested in being involved, which can be achieved through opportunities provided by managers.

According to Dimitriadis (2005), the literature on empowerment is profuse, but empirical research on the topic has been rather limited. Moreover, we believe that empowerment may be a way of organizations to enhance well-being for their employees or to reduce unintended negative outcomes, particularly in the contact center sector.

The concepts of empowerment are presented in two distinct approaches (Spreitzer, 1995; Greasley *et al.*, 2008; Boudrias *et al.*, 2009; Baird and Wang, 2010; Kazlauskaite *et al.*, 2011; Abu Kassim *et al.*, 2012):

- (1) the structural approach referring to policies, practices and organizational structures that grant employees the autonomy to take decisions and exert influence over their work, which relates to the concept of power sharing between employers and their subordinates; and
- (2) the psychological approach, emphasizing the degree of control over their activity that individual employees perceive.

Both perspectives are important, because if well-designed organizational policies and practices emphasizing employee participation and autonomy are necessary to employee empowerment, the feeling of empowerment only becomes real and effective when individuals perceive and use these practices (Bowen and Lawler, 1995). Bandura (1989) suggested that rather than being completely independent or determined by context, individuals actively perceive their environments and are influenced by their perceptions, not

only by objective reality. This being so, individuals' perceptions of their work contexts are the main determinants of empowerment, rather than the objective and real work context (Spreitzer, 1996).

2.1 Structural empowerment

Boren (1994) defined empowerment as the promotion of the capacities and potential of subordinates based on trust. Zimmerman (1995) suggests that empowerment at an organizational or structural level includes the improvement of organizational effectiveness, as well as of processes and structures that improve the skills of employees and provides them with the support necessary to promote change. Chebat and Kollias (2000) advocated empowerment as an efficacious managerial control tool. Recent literature emphasizes SE as the use of management policies and practices aiming at delivering power, control and authority to employees (Kazlauskaite *et al.*, 2011; Abu Kassim *et al.*, 2012), as explained as follows.

Access to information is presented in the literature as one of the main sources of power for the individual (Conger and Kanungo, 1988; Spreitzer, 1995, 1996; Kouzes and Posner, 2003). Kouzes and Posner (2003) said that without information people will not be willing to be more creative nor to assume more responsibility. Having an access to clear indications of the strategic directions of the organization is important to empowerment because it helps to create a perception of meaning and purpose (Conger and Kanungo, 1988) and increases the ability of an individual to take and influence decisions that are aligned with the objectives and mission of the organization (Lawler, 1992).

Access to organizational resources is an important source of power for individuals, in so far as it makes it easier for employees to take responsibility for their decisions and ideas (Spreitzer, 1996; Conger and Kanungo, 1988; Bowen and Lawler, 1992). In the services sector, empowered employees feel confident that they have access to all the resources required to offer customers what they need (Bowen and Lawler, 1992). Examples of resources include the budget, materials, space and time capital, human resources and knowledge, buildings and equipment (Kanter, 1983; Spreitzer, 1996).

Investment in *training and knowledge* of the employees, as well as in their orientation, achievement and self-confidence can increase the likelihood of the success of an empowerment strategy (Voegtlin *et al.*, 2015). Knowledge allows employees to understand and contribute to organizational performance. The adaptability of employees, especially in the services sector, is a key variable that affects their performance and requires training (Chebat and Kollias, 2000).

Kanter (1983) presented *support* as an essential tool for empowerment practices, which includes support, aid, approval and legitimacy. Managers and supervisors often use encouragement, verbal feedback and other forms of social persuasion to empower their subordinates (Conger and Kanungo, 1988, Ro and Chen, 2010), such as moral leadership (Li *et al.*, 2012).

When organizations do not offer *rewards* that are valued by their employees or when they are not offered in accordance with their competence, initiative or persistence, the perception of powerlessness by individuals increases (Conger and Kanungo, 1988). Spreitzer (1995) argued that rewards allow employees to be more willing to become involved in making decisions and increase their concern for the success of the organization. In addition, remuneration based on performance aligns employee preferences with those of the organization, which reduces the risk of self-interested behavior.

Role ambiguity occurs when an individual is not certain about the expectations that others have of him/her (Spreitzer, 1996). If employees perceive role ambiguity, they will

hesitate to act (i.e. lack of self-determination) and consequently feel incapable of making a difference (i.e. lack of impact) (Sawyer, 1992). In addition, the limits of their authority should be clear so that individuals can feel confident about their decisions (i.e. competence), instead of fearing possible repercussions for decisions taken under ambiguous authority (Conger and Kanungo, 1988).

Empowerment is based on a *participative organizational climate* in which the labor force is encouraged to identify and suggest improvements (Lin, 2002) and authority to make decisions is delegated to employees.

As such, an organization provides a coherent set of organizational systems and processes to support the increasing power given to employees.

2.2 Psychological empowerment

The PE approach focuses on employee belief and experience of being empowered (Baird and Wang, 2010). Menon (1995) described empowerment as a state of mind “[...] the empowered state is a cognitive state characterized by a sense of perceived control, competence, and goal internalization” (pp. 30). Thomas and Velthouse (1990), and along the same line Spreitzer (1995), defined the phenomenon as increased intrinsic task motivation, expressed in a set of four cognitions:

- (1) *Meaning*: The perception that a task, work or specific project is congruent with the employee’s beliefs, attitudes and values (Thomas and Velthouse, 1990). This dimension refers to the value of the objective or purpose of the task, judged in relation to the ideals or standards of the individual. Tasks are considered meaningful when employees are concerned about them and see them as important (Spreitzer, 1995).
- (2) *Competence*: The individuals’ belief in their ability to perform a task with success (Thomas and Velthouse, 1990), similar to the concept of self-efficacy presented by Conger and Kanungo (1988). The feeling of competence affects the choice of activities on the part of employees and shapes their behavior, degree of dedication, effort and persistence in facing obstacles and aversive experiences (Bandura and Adams, 1977). To be willing to develop and accept more autonomy, employees need to feel competent and confident in themselves, and the greater the confidence in their work the greater the willingness of employees to accept more responsibilities (Greasley *et al.*, 2008).
- (3) *Self-determination*: The perception on the part of the employee that he/she has autonomy to carry out tasks and that he/she can choose how to behave in various situations (Thomas and Velthouse, 1990). Deci *et al.* (1989) defined self-determination as the feeling of having a choice in the initiation and regulation of our own actions and work.
- (4) *Impact*: The degree to which work behavior is perceived as making a difference in terms of accomplishing the purpose of a task, that is, producing intended effects in one’s task environment (Thomas and Velthouse, 1990). This dimension refers to the degree to which an individual can influence the administrative, strategic or operational outcomes at work and is influenced by the context of the work (Spreitzer, 1995).

Conger and Kanungo (1988) and Voegtlin *et al.* (2015) argued that management practices are conditions for empowering employees. Thus, PE seems a logical result of the efforts of managers to create and communicate structural conditions of empowerment (Laschinger *et al.*, 2001) as shown by Seibert *et al.* (2011). However structural conditions may exist,

employees may not necessarily feel empowered. The feeling of empowerment only becomes real and effective if individuals perceive and use those practices. In any case, it is more likely to feel empowered when organizational conditions are favorable. That is, when managers create the conditions to the participation of employees, by providing them the needed resources and knowledge, by supporting them and providing feedback and finally by giving them voice in the organizations issues:

H1. SE is positively related with PE.

3. Intrinsic motivation

IM is based on the fact that people experience pleasure and satisfaction from the execution of an activity in itself (Guay *et al.*, 2000). According to Schawlow (cit. in Amabile, 1997), IM refers to the motivation to work on something because it is interesting, engaging, exciting, rewarding or personally challenging. Essentially, IM involves positively valued experiences which derive directly from the realization of a task and which give origin to motivation and satisfaction (Thomas and Velthouse, 1990). It is believed that the task itself is the main source of IM, and that external antecedents such as rewards and other management practices have little effect. According to job design theory, job attributes such as job variety, identity, significance, autonomy and feedback will alone provide the feeling of IM (Hackman *et al.*, 1975). However, more recent research provides a broader theoretical model of job design, suggesting that social information, leadership characteristics, technology, working conditions and organizational structures contribute to IM, beyond extrinsic motivation, job satisfaction and performance (Morgeson and Campion, 2003). SE is somehow similar to an enriched work context. For instance, support and feedback from supervisors provide a more positive social work context; access to resources and management practices (e.g. rewards, training) provide a more challenging and significant work context and may create work conditions enabling IM. If the organization provides a coherent set of organizational systems and processes, such as access to a variety of resources (information, technology, knowledge) to support and strengthen the power of employees, with employees assuming power at different levels, IM may be improved:

H2. SE is positively related to IM.

At the heart of IM lies the joy and pleasure of activities performed. So, it is reasonable to argue that when individuals feel happy with job tasks and choices, they will also believe in the meaning of the tasks and in their own ability to perform them. In fact, Cognitive Evaluation Theory considers that IM is related to the feelings of self-determination and competence (Deci *et al.*, 1989). If individuals feel able to solve the problems of their customers, if they see that their effort has the expected result, they will be more confident about their work, which is important to feeling happy and motivated about their job. Previously, Hackman *et al.* (1975) argued that employees are motivated to perform their work when certain psychological states are present: meaningfulness of the work, responsibility for work outcomes and direct knowledge of the results of the work. Therefore, we believe IM will provide the feelings of being empowered:

H3. IM is positively related with PE.

4. Customer satisfaction

CS is a matter of paramount importance for the success of any organization because it has a direct impact on the future income of companies.

There is no consensual definition of CS; various authors generally agree that CS results from a subjective comparison of expected and perceived attribute levels. CS in services is not

only affected to a greater or lesser degree by confirmation or disconfirmation of expectations, but also by the quality of the relational service (McDougall and Levesque, 2000) and by the feelings they experience. Companies can use different approaches to being “in tune” with their customers: CS indices, feedback, market research, strategic activities and frontline employees (Jones and Sasser, 1995). Querying employees who have direct contact with the customer is a good way to “hear” the customer, and is an essential source of information about customers (Jones and Sasser, 1995). Schneider *et al.* (1980) concluded that employees are prone to perceiving the service quality provided to the customer, i.e. the employees’ perception of the quality of service procedures and practices is strongly related with the perception of the customers on the quality of these same procedures and practices. As such, all employees have a good perception about the way customers see the organization and can identify some of the evaluations the customers have about service effectiveness (Schneider *et al.*, 1980).

Empirical studies on initiatives of empowerment of contact personnel with CS are scarce (Yagil, 2006). The majority of studies only suggests this relationship theoretically (Bowen and Lawler, 1992; Rafiq and Ahmed, 1998) with the exception of Ahearne *et al.* (2005), who show the relationship between leadership empowerment behavior and CS with sales representatives, Ugboro and Obeng (2000) and Isimoyamidele and Bamidele (2013), who identify positive relationships between employee empowerment and CS in different business sectors. However, Ahearne *et al.* (2005) provide a narrow perspective of SE, focusing only on perceptions of leadership empowering behaviors and ignoring other organizational opportunities, and PE is restricted to the concepts of self-efficacy and adaptability. Ugboro and Obeng (2000) use only a structural approach of empowerment, and CS is conceptualized as organizational effectiveness. Isimoyamidele and Bamidele (2013) use only a psychological measure of empowerment. Our study takes a larger perspective toward the comprehensiveness and assessment of SE, and captures its relationship with the feeling of being empowered and motivated (PE and IM).

Several authors reinforce the relevance of this study, such as Hennig-Thurau (2004), who show a positive relationship between the behaviors of frontline employees and CS.

The literature points to a set of conditions or organizational practices of empowerment. Information, resources, training and knowledge allow employees to understand and contribute to organizational performance and, consequently, to CS. This requires policies, practices and organizational procedures that allow employees to have more autonomy, discernment and responsibility in making decisions and to do their job. The support and encouragement of leadership is needed, from which subordinates feel more competent and confident. In parallel, if employees are rewarded, they are willing to assume more responsibility, to become involved in making decisions and have increased concern for the success of the organization.

Thus, we propose that SE and PE will be the major direct antecedents of the formation of CS. Taken together, we hypothesize the following:

H4. SE is positively related to CS.

H5. PE is positively related to CS.

Mediation effect of PE

Having considered the previous hypotheses, it is reasonable to expect that the effect of SE on PE is, in part, mediated by the feeling of pleasure and joy provided by the job activities. As explained before, an enriched work context or a set of human resource management (HRM) practices that allow access to information and other resources, feedback, autonomy and

participation will provide intrinsic motivation, which is important to the feeling of being empowered.

We posit that SE will impact CS through employees feeling empowered and intrinsically motivated. This reflects and further illuminates the “black box effect” suggested by a growing number of authors about the debate of the impact of HR practices in organizational performance (Becker and Gerhart, 1996; Vermeeren *et al.*, 2014). The relationship between HRM and organizational performance is not a simple one, and it is proposed that this relationship may be mediated by workers’ attitudes, behaviors and beliefs (Katou and Budhwar, 2014). In these case, perceptions of competence, self-determination, significance, impact and IM allow to explain how organizational or structural practices of empowerment can provide a better service to the customer. Moreover, according to Schneider *et al.* (1980), the more accurate the employees’ perceptions are about the hopes of the client, the greater the likelihood of their behavioral changes improving CS.

We postulate a positive relationship between employee empowerment and CS. From a managerial standpoint, this result will be highly significant for the provision of empowerment, which involves, to a great extent, job enrichment instead of standardization. Although it is more likely to feel empowered when organizational conditions are favorable. That is, when managers create the conditions for participation of employees, by providing them the needed resources and knowledge, by supporting them and providing feedback and finally by giving them voice in the organization, it will affect directly employees’ IM and performance which in turn will affect indirectly CS. Thus, the extent of IM that may lead to CS will be enhanced by PE of employees.

Therefore, we suggest that PE will mediate both relationships, between IM and perceived CS, and between SE and perceived CS.

The following hypothesis summarizes this discussion regarding the mediating role of PE in our proposed conceptual model:

H6. PE mediates the effect of SE on perceived CS.

H7. PE mediates the effect of IM on perceived CS.

The conceptual model resulting from the assumptions and relationships described above is presented in Figure 1.

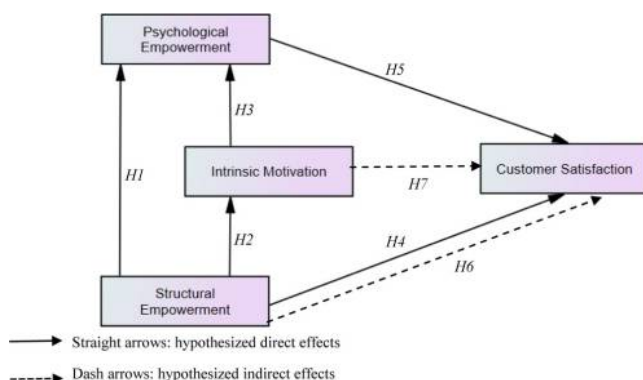
5. Methodology

Data were collected using an on-line questionnaire, delivered to all the employees of the second largest company in the contact center sector in Portugal, with 10,198 employees. It collaborates as a partner in many of the leading contact centers in Portugal, in areas such as banking, insurance, telecommunications, energy, technology and services.

The questionnaire was presented to the sales support manager of the contact center. The manager delivered the questionnaire to all operational managers, who distributed it to their teams.

5.1 Sample and measures

The total number of questionnaires obtained was 834, but only 703 were fully answered. The rate of response was approximately 6.9 per cent. The sample was composed mainly by women (65.9 per cent), of 29.3 years old on average, and 90.1 per cent in an assistant position, having eight years of work experience and a tenure on the firm of three years on average. Table I presents the demographic characteristics of the sample and of the company population.



Notes: For the sake of simplicity each factor's measurement indicators and error terms are not included in figure

Figure 1.
The research
conceptual model

Socio-demographics	Population	Sample
Gender	Female – 57.6% Male – 42.4%	Female – 65.9% Male – 34.1%
Age	Mean 30.7 years old	Mean 29.3 years old Min. 18 years old Máx. 58 years old
Education level	Secondary school or inf – 79.6% Bachelor – 18.6% Masters – 1.2% Doctorate – 0.6%	Less than secondary – 0.8% Second. school – 66.7% Bachelor – 28.2% Masters – 4.3% Doctorate – 0.0%
Hierarchical position	Assistant – 89.1% Supervisor – 4.9% Coordinator – 1.1% Other – 4.9%	Assistant – 90.1% Supervisor – 5.8% Coordinator – 0.7% Other – 3.4%

Table I.
Demographics of the
population and the
sample

Given the number of fully completed questionnaires and the similarities between the population and the sample already discussed, it can be concluded that the representativeness of the sample in relation to the population is quite acceptable.

For the first part of the questionnaire, socio-demographic and professional data were collected: gender, age, education level, experience, tenure in the organization, professional category and type of contact (58.9 per cent of the employees make in-bound contacts and only 11.9 per cent of the employees do out-bound contacts and 29.2 per cent do both types of contact). The remaining questions included scales previously used by several authors. Table II depicts the different scales, their respective authors and describes some examples of the items used.

Structural empowerment was measured through 24 questions about all the dimensions discussed earlier: access to information (four items), access to resources (three items), training and knowledge (three items), support (four items), rewards (three items), role ambiguity (three items) and participative organizational climate (four items).

Table II.
Description of the
measures used

Construct	Concept	Author	Item example
Structural empowerment	Access to information	Spreitzer (1995) and Lin (2002)	I have access to the strategic information necessary to do my job well
	Access to resources	Spreitzer (1996)	I can obtain the materials and funds necessary to support new ideas in my unit
	Training and knowledge	Lin (2002)	In our company, employee training and development include the enhancement of peripheral skills as well as core techniques
	Support	Lin (2002)	My immediate boss/supervisor praises me when I do a good job
	Rewards	Spreitzer (1995)	My pay level depends on my individual performance
Psychological empowerment	Role ambiguity	Spreitzer (1996)	The company encourages employees to make their own decisions
	Participative organizational climate	Ueno (2008) and Lin (2002)	The work I do is very important to me
	Meaning	Spreitzer (1995)	I am confident about my ability to do my job
	Competence	Spreitzer (1995)	I can decide on my own how to go about doing my work
	Self-determination	Spreitzer (1995)	My impact on what happens in my department is large
Intrinsic motivation Customer satisfaction	Impact	Spreitzer (1995)	I think that activities I do are interesting
		Guay <i>et al.</i> (2000) Adapted from Homburg <i>et al.</i> (2009)	I think that my performance meets the expectations of the end customer

Psychological empowerment was measured according to Spreitzer's (1995) scale, based on four dimensions (significance, competence, auto-determination and impact), each one with three items in a total of 12 questions.

To assess *intrinsic motivation*, the scale of Guay *et al.* (2000) was used, based on four items measuring the fun, pleasantness and challenge of work activities.

Customer satisfaction was measured based on employees' perception of CS and according to the adaptation of Homburg *et al.* (2009), based on three items, which is a parsimonious measure.

Gender, age, education and hierarchical position are included as exploratory variables. Regarding hierarchical position, Ergeneli *et al.* (2007) indicate that when managerial level increases, overall psychological empowerment also increases. Kanter (1977) has argued that female managers are likely to feel less empowered than male managers in most organizations because of their token status.

All answers were compulsory, and a Likert response scale was used (1 = "totally disagree" and 7 = "totally agree").

To reduce the bias of common method variance, the indications of Podsakoff *et al.* (2003) were followed. First, the anonymity of the respondents was guaranteed, they were assured that there were no right or wrong answers and they were asked to answer the questions as honestly as possible. In addition, all questions were clearly distinct variables from each other and the items of different variables were mixed along the questionnaire. Also, we used Harman's single-factor test, which does not indicate the presence of common variance, as no single factor emerges, accounting for the majority of the covariance among the measures.

Since the majority of items used were based on previous studies, no pre-tests were performed, with the exception of a prior analysis of the questionnaire with the contact center sales manager and one employee to assure intelligibility for the sector at stake.

5.2 Exploratory and confirmatory factorial analysis

First, exploratory factorial analysis (EFA) was conducted for SE and CS, as no previous valid information was available about the factorial structure, and then confirmatory factorial analysis (CFA) allowed the confirmation of the previous factorial result (Marôco, 2010). For the other constructs (PE and IM), only CFA was used.

Through the EFA, using Principal Components Analysis for SE, five components with eigenvalues greater than 1 were identified, suggesting five factors similar to those identified in the literature: resources, support, organizational climate, rewards and role ambiguity. The internal consistency of the factors was obtained through Cronbach's alpha ($\alpha_{res} = 0.918$; $\alpha_{sup} = 0.846$; $\alpha_{orgcli} = 0.792$; $\alpha_{rew} = 0.793$; $\alpha_{rol-amb} = 0.515$). Factor role ambiguity obtained an unacceptable Cronbach's alpha, which excluded it from this analysis. The resources factor includes the constructs of access to information, access to resources, training and knowledge. All the scale items remained in the analysis showed high factor weights ($\lambda \geq 0.5$) and appropriate reliability ($\lambda^2 \geq 0.25$), indicating that the convergent validity of the scale measures was acceptable.

To assess the psychometric properties of the measures, we performed a CFA, using a maximum likelihood estimation method via AMOS (version 22). We evaluated model fit through multiple fit criteria, each of which represents a different aspect of the model. In particular, three fit indices examined in this study were the comparative fit index (CFI), the root mean square error of approximation (RMSEA), the goodness-of-fit index (GFI). For each index, an acceptable level of fit is indicated as follows: CFI > 0.95; RMSEA < 0.08; GFI > 0.90 (Gefen *et al.*, 2000; Hu and Bentler, 1999).

We ran the measurement model, for each scale, and the results indicated that each model fit the data satisfactorily in terms of all the fit indices considered in this study: SE ($\chi^2/df = 5.126$, CFI = 0.91, RMSEA = 0.077, GFI = 0.89); PE ($\chi^2/df = 4.286$, CFI = 0.960, RMSEA = 0.069; GFI = 0.948); IM ($\chi^2/df = 2.314$, CFI = 0.99, RMSEA = 0.015, GFI = 0.98) and CS ($\chi^2/df = 1.436$, CFI = 0.989, RMSEA = 0.046, GFI = 0.99).

Table III shows the properties of measurement scales used in this study: the means, standard deviations, Cronbach's alpha, construct reliability (CR) and average variance extracted (AVE) of the measures. To ensure the psychometric properties of the measures, we examined the validity and reliability of the scales (Byrne, 2010; Bagozzi and Yi, 1988; Fornell and Larcker, 1981). Three types of reliability indices examined in this study were Cronbach's alpha, CR and AVE, and acceptable levels were obtained: 0.70, 0.70 and 0.50 or higher, respectively (Byrne, 2010; Bagozzi and Yi, 1988; Fornell and Larcker, 1981). As showed in Table III, the reliabilities of the scale measures (i.e. Cronbach's alpha ≥ 0.72 , CR ≥ 0.81 and AVE ≥ 0.58) are all above the recommended values. From these results, we found that each of the scales met the criterion mentioned previously showing adequate internal consistency, reliability and convergent validity.

To further ensure the psychometric properties of the SE measures, we examined the discriminant validity of the factors by comparing the AVE with the squares of the correlation between the factors. In all cases, the AVE was higher than the square of the correlation between the factors (AVE_{res} = 0.639; AVE_{sup} = 0.582; AVE_{org cl} = 0.704; AVE_{rew} = 0.709; $r^2_{sup_res} = 0.578$; $r^2_{orgcl_sup} = 0.376$; $r^2_{orgcl_res} = 0.503$; $r^2_{orgcl_rew} = 0.483$; $r^2_{rew_sup} = 0.294$; $r^2_{rew_res} = 0.497$), concluding that the factors have adequate discriminant validity.

Based on these results, the level of the measurement models fit, validity and reliability of measures seem to be very acceptable for subsequent tests of the structural model and the research hypotheses.

6. Results

6.1 Test of research model and hypotheses

We used a structural equation modeling (SEM) technique via AMOS (version 22) to test the proposed model. The results of data analysis showed that the proposed theoretical model fit the data reasonably well (CFI = 0.981, GFI = 0.982). We also found that the proposed model

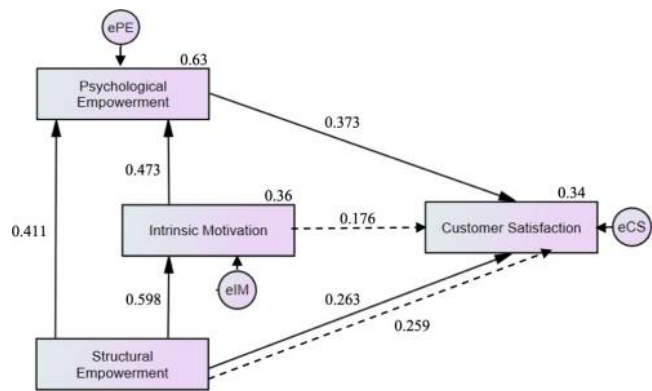
Construct/factor	Mean	SD	Alpha	CR	AVE
<i>SE</i>					
1. Resources	5.11	1.08	0.918	0.946	0.64
2. Support	3.54	0.68	0.846	0.847	0.58
3. Rewards	4.17	1.18	0.793	0.879	0.71
4. Participation organizational climate	4.19	1.22	0.792	0.876	0.70
<i>PE</i>					
1. Meaning	4.72	1.16	0.886	0.936	0.83
2. Competence	4.48	0.58	0.832	0.900	0.75
3. Self-determination	3.84	1.15	0.828	0.900	0.75
4. Impact	3.05	0.77	0.774	0.865	0.68
IM	4.89	1.22	0.895	0.940	0.79
CS	4.25	0.62	0.724	0.814	0.59

Table III.
Properties of
measurement scales

Notes: $n = 695$; means are reported but not analyzed; SD = standard deviation; Cronbach alpha and CR = composite reliability ≥ 0.7 ; AVE = average variance extracted ≥ 0.5 ; SE = structural empowerment; PE = psychological empowerment; IM = intrinsic motivation; CS = perceived customer satisfaction

explained a significant amount of variation in the endogenous variables: IM explains 36 per cent, PE 63 per cent and CS 34 per cent. Figure 2 shows the standardized regression estimates, the significance level of the relationships between the research variables and explained variances For the sake of brevity, the measured indicators and their corresponding paths and errors have been left off the diagram. Table IV presents the full results of the SEM analysis, including the structural path regression estimates, standard errors and statistical significance.

When examining the hypothesized relationships proposed, all received empirical support, and the model results strongly supported all of the hypotheses. Specifically, the results showed that SE has significant positive effect on PE and IM (*H1* and *H2* supported). IM has a significant positive effect on PE (*H3* supported). In particular, both SE and PE had significant positive effects on CS (*H4* and *H5* supported). In addition, we found that both SE



Notes: Standardized path estimates of the model; significant paths $p < 0.001$

Figure 2.
Estimated model

Effects	Regression estimates		SE	CR	Statistics	
	Standardized	Unstandardized			p-value	Decision
<i>Direct effects:</i>						
SE → PE	0.411	0.391	0.028	14,190	<0.001	<i>H1</i> supported
SE → IM	0.598	0.797	0.040	19,678	<0.001	<i>H2</i> supported
IM → PE	0.473	0.338	0.021	16,325	<0.001	<i>H3</i> supported
SE → CS	0.263	0.178	0.029	6,162	<0.001	<i>H5</i> supported
PE → CS	0.373	0.265	0.030	8,723	<0.001	<i>H4</i> supported
<i>Indirect effects:</i>						
SE → CS	0.259*	0.175	—	—	<0.001	<i>H6</i> supported
	(0.249, 0.308) ^a					
IM→ CS	0.176*	0.090	—	—	<0.001	<i>H7</i> supported
	(0.066, 0.193) ^a					

Notes: * $p < 0.001$ (two-tailed); SE = standard error; CR = critical ratio; ^a confidence interval bias-corrected at 90% confidence level for bootstrap distributions is defined using the values that mark the upper and lower 5% of each distribution; SE = structural empowerment; PE = psychological empowerment; IM = intrinsic motivation; CS = perceived customer satisfaction

Table IV.
Structural equation
model results

and IM indirectly affect CS, through the mediation effect of PE (*H6* and *H7* supported). Taken as a whole, all the research hypotheses proposed in this study were empirically supported.

As shown in the upper panel of [Table IV](#), a significant relationship exists between SE and PE ($\gamma = 0.411, p < 0.001$), between SE and IM ($\gamma = 0.598, p < 0.001$), between SE and CS ($\gamma = 0.263, p < 0.001$), between IM and PE ($\beta = 0.473, p < 0.001$) and between PE and CS ($\beta = 0.373, p < 0.001$). In addition, as shown in the lower panel of [Table IV](#), the results indicate that the mediation mechanism was significant: as expected, we found that both SE ($\beta = 0.259, p < 0.01$) and IM ($\beta = 0.176, p < 0.01$) have a significant indirect effect on CS, both mediated by PE. The bootstrap estimates at 90 per cent confidence intervals (two-tailed significance) are nonzero for all indirect effects ([Bollen and Stine, 1990](#)).

These results indicated that, although SE plays an important role in determining CS outcomes, through ongoing PE, such as increased self-determination, competence, meaning and impact, it also has a strong effect on the outcome. In this case, data are consistent with large direct and indirect effects which means the relationship between SE and CS is consistent with mediation effect.

In addition, the results provide evidence that IM and CS are connected indirectly. The size of the indirect effect is trivial relative to the strength of the indirect effect of SE. What we found here suggests that IM when added to PE benefits may foster CS outcomes.

Hence, IM indirect effect occur when employees' motivation with their jobs increases PE benefits and indirectly CS. As expected, these relationships support the theoretical background. This result is consistent with HR theory previously discussed which posits that motivated and empowered employees will impose customers the perception of satisfaction with the service provided.

On the basis of these findings, we acknowledge that IM perceptions may increase CS when associated to PE benefits. Overall, we can infer from the model results that PE acts as mediation mechanism between SE, IM and CS.

6.2 Assessing a rival model

One important criterion of a model's success is its performance compared with that of rival models in which the examination of the relationships for which no hypothesis was theorized increases the internal validity of the findings ([Bagozzi, 1980](#); [Hair et al., 2006](#)).

For example, our model allows no direct path from IM to CS. A non-parsimonious model would allow direct paths from the exogenous constructs directly to endogenous constructs. To examine this proposition, we included the following direct path, from IM to CS.

We compared our hypothesized model with the rival model using the following criteria: overall fit of model's fit differences, model's statistically significant parameters, theoretical interpretation of the paths and explained variance of the endogenous constructs.

The rival model, despite addressing evidence of a well-fitting model (CFI = 1,000; GFI = 1,000; modified expected cross-validation index (MECVI) = 0.029), however the index coefficients are taken from a Saturated model, which is accompanied by reduced nomological validity. Nomological validity is the ability of a new measure to perform as expected in a network of known causal relations and well-established measures ([Hair et al., 2006](#); [Bagozzi and Yi, 1988](#); [Bagozzi, 1980](#)).

When investigated the structural relationships among the focal constructs and the explained variance of the endogenous constructs, on both models (i.e. proposed and rival), the results indicated that the added relationship generally does not improve significantly model performance, as expected.

Likewise, in the proposed model, we found the effects of other hypothesized relationships remain unchangeable. This result provides additional evidence of the path estimates' stability when other stressors are controlled (Shrout and Bolger, 2002).

On the basis of these findings, we acknowledge that this comparison provided added confidence in our conceptual model. Our model assumes that PE mediates the relationship between IM and CS. Therefore, we speculate that the IM perceptions are stronger to affect CS, when added to PE benefits.

7. Conclusions

7.1 Discussion and conclusions

The research shows that empowerment variables explain CS, and that SE practices result in high levels of PE and IM. PE and IM are linked to business outcomes stressing the importance of employees' psychological factors for the commercial success of the organization.

These empirical results are consistent with theoretical approaches which suggest these relationships (Bowen and Lawler, 1992; Rafiq and Ahmed, 1998). Our conclusions suggest that the frontline employees' psychological states (PE and IM) are related to CS to the extent that they affect the attitudes of service providers, and their perception of control over the processes and actions that they are authorized to perform.

This research enriches the understanding of the "black box" idea in HRM literature by highlighting the psychological processes through which empowerment policies and practices improve CS. It is possible to identify two main theoretical contributions. First, these results contribute to an encompassing view regarding SE, including access to resources, organizational support, rewards and a participative organizational climate, going further than previous research that envisaged a blurred approach of SE (Conger and Kanungo, 1988; Laschinger *et al.*, 2001; Ahearne *et al.*, 2005). Second, evidence of the impact of the work context through SE, in psychological variables, IM and PE, reinforces the idea that the inner individual world can be accessed by external action. Thus, organizational practices of empowerment have a positive effect on employees' intrinsic motivation, which in turn provides greater meaning, commitment and involvement of employees with their work, contributing to the satisfaction of customers and to the success of the organization. This evidence is somehow contradicting the idea that intrinsic motivation does not depend on external factors.

Moreover the research also challenges the validity of the predictions of those who advocate job simplification, standardization of processes and low service heterogeneity in a contact center context where empowerment is considered inappropriate or even counterproductive. It supports instead the claims of empowerment, autonomy and discernment of employees, even in a low service heterogeneity sector in the vein of Robinson and Morley (2006). Therefore, the present research offers a transformative message in what concerns HRM in contact centers.

7.2 Managerial implications

This research provides guidance for managers to create structures that support their personnel access to and contact with the resources needed to achieve their job goals (including work processes, space and time, materials, facilities and equipment, information, technical knowledge and training opportunities), namely, in contact centers. In addition, the importance of support, rewards and a participative organizational climate for employees to perceive empowerment are reinforced. According to these results, structural or organizational empowerment will have much more impact the more psychological factors are mobilized, in this case, IM and PE.

The relationships found in this study highlight the importance for managers to rethink their practices and procedures to increase CS, being attentive to IM of their employees. Contact centers should improve participation procedures, in so far as to develop the pleasure employees may show in what concerns tasks and activities at contact centers.

The measurements of empowerment presented in this research may be used by organizations, not only to assess employee levels of perceived empowerment but also to predict CS. In addition, repeated measurements over time can be used to evaluate the effectiveness of specific strategies of empowerment, as well as those related with IM of employees and CS. The scale developed to measure SE can also help in the design of empowerment practices and organizational strategies. Moreover, managers at contact centers should revise some of the HRM policies, such as training opportunities, enriched job design and HRM processes of employee participation and leadership support. Service managers must rethink empowerment issues, since these seem to be positive related with CS, particularly in the Services sector and contact centers where CS has a stronger effect on buying repetition behavior than, for instance, service quality.

7.3 Limitations and directions for further research

First, the model resulting from this study should be submitted to external validation with a distinct sample, as suggested by [Marôco \(2010\)](#). Moreover, with regard to the sample, it is not fully representative of contact centers in Portugal. It is possible that other organizations in the sector may have different empowerment practices and different organizational culture that could lead to other conclusions. Further research may overcome these limitations by applying the model at stake to other organizations and sectors, allowing greater generalization.

Second, the measured CS was based on employees' perception. This can be considered as a limitation, although [Schneider *et al.* \(1980\)](#) demonstrated that the employees are susceptible to understanding customer perception about the service quality provided, and [Schneider and Bowen \(1985\)](#) highlight the physical, psychological and organizational proximity between contact personnel and the customer provide for sharing of perceptions, attitudes and intentions among them. This type of self-reporting may cause common method biases ([Podsakoff *et al.*, 2003](#)), even though taking into account the suggestions of the author during the construction of the questionnaire and data analysis to minimize this effect. Future research could use other approaches to measuring CS, such as measures from different sources, namely, the customers, as suggested by [Jones and Sasser \(1995\)](#).

Third, causality between variables should not be inferred. Further research may overcome this by carrying out experimental or longitudinal designs to analyze the causal relationships between empowerment and CS.

Previous research shows that academic qualifications are negatively associated with PE and IM. From a managerial standpoint, it is important to consider in future research, what employee's characteristics (e.g. age, academic level, professional category) moderate the relationship between IM, PE and CS.

The model presented could be extended by including personality traits, such as self-esteem and *locus* of control. In the literature, the work context and personality traits are presented as related with empowerment. The present study has focused on the work context through SE. The inclusion of personality traits would allow for a more complete study of empowerment and its consequent impact on CS.

Finally, further research about empowerment among temporary workers and permanent workers would also be interesting to conduct, as temporary workers exist in large numbers in contact centers and are usually indicated as having an insecure labor relation and low job satisfaction.

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