



## Understating the Impact of Employee Empowerment on Customer-Oriented Behavior

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### Abstract

*This study aimed to measure the impact of employee empowerment on customer-oriented behavior in the Jordanian commercial banks. The study addressed two perspectives of empowerment (i.e., structural empowerment and psychological empowerment). The frontline employee's perspective was used, since this position plays an excellent role in mediating the relationship between clients and service providers. The researchers collected three hundred and seventy-seven questionnaires. Findings reveal that both forms of empowerment have a positive and significant impact on customer-oriented behavior. However, psychological empowerment has a stronger impact on customer-oriented behavior than does structural empowerment. Only three dimensions of structural empowerment (communications, training, and knowledge and skills) have a significant positive impact on the dependent variable. In addition, three dimensions of psychological empowerment (meaning, competences and impact) have significant and positive impacts on customer-oriented behavior. This study offers new insights into the existing literature and provides implications and directions for future research.*

**Keywords:** employee empowerment, psychological empowerment, structural empowerment, customer-oriented behavior, service industry.

### 1. Introduction

In order for a company to have a competitive and dynamic position in the market, customers have to be satisfied and delighted with the service provided. To produce that result, service organizations and providers should work hand in hand to enhance their customers' satisfaction and loyalty. In this regard, the most powerful tools to achieve this are having the right set of employees and training and empowering them (Lovelock and Wirtz, 2010). Thus, having the right set of employees and practices helps to deliver high levels of service quality and helps a company to adopt the customer-oriented behavior mindset (Horney, 1996; Chow et al., 2006).

Brady and Cronin (2001) claim that a customer orientation philosophy emerges as one of the most important practices in the marketing field. Hartline et al. (2000) and Kim et al. (2004) also highlight the importance of customer-orientated behavior through making the customer's interest the first priority and concern for employees. As a result, long-term, mutual, and profitable relationships can be established between all parties. A customer-oriented firm has a greater chance of satisfying its customers than do firms that lack a customer orientation approach.

Service providers (frontline employees) play a critical role in service organizations; they help by explaining and providing answers to customers' inquiries on the spot rather than waiting for their managers' feedback and judgment (Lee et al., 2006). Customer-orientated behavior is considered one of the most essential tools for employees who have direct contact with customers (Dimitriades, 2007).

However, employees should have the right ability, flexibility, and power to be engaged in customer-oriented behavior. Lovelock and Wirtz (2010) have stated that employee empowerment is one of the most effective tools to satisfy and service customers. In other words, empowerment emerges to give subordinates more control over job-related situations and decisions, which allows them to have more flexibility and responsibility with respect to various customers' needs (Kim et al., 2004).

Accordingly, empowerment has received significant attention from scholars and practitioners due to its impact on organizational effectiveness and competitive advantage in the service industry (Abu Kassim et al., 2012). Hamborstad and Perry (2011) argue that empowerment should be directed toward enriching frontline employees with the abilities and skills to fulfill customers' requests and needs. When this is done, customer satisfaction can be obtained and linked to organizational success. Consequently, service organizations and practitioners should make more and better efforts toward providing customer-contact employees with enough empowerment by increasing their information, training, knowledge, trust, and so on (Melhem, 2004).

In the banking sector, the need for long-term relationships with customers has to be a core focus for strategic managers. Based on that, the main aim of the current study is to investigate the impact of the two most popular forms of employee empowerment (i.e., structural and psychological) on customer-oriented behavior in one of the leading service industries in Jordan, that is, the Jordanian commercial banks. To do that, this study aims to achieve the following objectives: first, to examine the impact of employee empowerment on customer-oriented behavior; second, to find out which type and form of employee empowerment (i.e., structural or psychological) has a greater influence on customer-oriented behavior in the industry under investigation; third, to assess the level of psychological and structural empowerment practices in the commercial banks in Jordan; and fourth, to evaluate the level of customer-oriented behavior practices.

The first section of this paper has briefly shed light on the concept of employee empowerment and customer-oriented behavior; the next section will show the importance of this study and discover gaps in the literature in order to develop the research question, model, and hypotheses, and the next section will explain some methodological issues required and used in this study. Then the following section presents findings of this study, and the last section offers conclusions of the study and highlights the limitations and offers some recommendations for future research.

## **2. Literature Review and Theoretical Background**

### **2.1 Employee empowerment**

According to Hancer and George (2003), the origin of empowerment can be traced to the theory developed by Douglas McGregor that emerged in the field of organizational behavior. McGregor developed a theory named "Theory Y," based on the notion that employees' motivation, productivity, and participation can be attained and enhanced by designing more autonomous and flexible jobs.

In terms of the meaning and definition of empowerment, several authors and scholars have offered and developed definitions. For instance, Del Val and Lloyd (2003) define empowerment as "*the involvement of employee in decision making process*" (Del Val and Lloyd, 2003, p: 102). Jha (2010) offers a more detailed definition of empowerment through defining such a concept as "*a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information*" (Jha, 2010, p: 380). Ahmad and Oranye (2010) also use a very traditional view of empowerment, considering it as "*energizing followers through leadership, enhancing self-efficacy by reducing powerlessness and increasing intrinsic task motivation*" (p: 583).

Melhem (2004) argues that the empowerment literature shows different meanings and definitions of empowerment. However, most definitions indicate that empowerment implies giving employees more authority and discretion in performing work tasks and giving them autonomy to solve all issues related to their work. To summarize, in spite of a diversity of definitions of empowerment, this concept means giving power to subordinates at a lower level to make them able to make their own decisions when serving customers.

The relevant literature suggests diverse classifications and categories of empowerment. Sun et al. (2012), for instance, claim that empowerment has three broad categories including leadership empowerment, structural empowerment, and psychological empowerment. Kuokkanen and Leino-Kilpi (2000) offer three approaches to studying empowerment: improvement of conditions for oppressed groups, structural empowerment, and psychological empowerment. Menon (2001) groups empowerment into three broad groups: situational (structural) empowerment, motivational (psychological) empowerment, and leadership empowerment. However, empowerment has been introduced and explained more frequently using two main alternative perspectives, a structural/relational perspective and a motivational/psychological perspective.

### **2.1.1 Structural/Relational Empowerment**

The structural empowerment concept can be defined as “*management practices and policies that aimed to transfer power from management to employees*” (Abu Kassim et al., 2012, p: 133). Melhem (2004) also offers a more explicit definition of structural empowerment by defining it as “*freeing someone from rigorous control by instructions, policies, and orders, and giving that person freedom to take responsibility for ideas that he/she provide for management, decisions, and actions that he/she made in the workplace context*” (p: 73). According to this approach, empowerment is considered to be a set of activities and practices that give power, control and authority to subordinates (Daft, 2001).

According to this perspective, empowerment means giving employees the possibility of taking necessary actions in modifying the current work processes or employing a new process in order to simplify job-related tasks and decisions (Chebat and Kollias, 2000). To conclude, structural empowerment focuses on policies and practices that are undertaken by management that aim to distribute power, decision-making authority, delegations and responsibility to lower levels of the organization.

### **2.1.2 Psychological/Motivational Empowerment**

The psychological empowerment concept can be defined as “*a state of mind in which an employee experiences the feelings of control over how the job can be done, have enough aware to the work tasks that being performed, a great level of responsibility to both personal work outcome and overall organizational advancement, and the perceived justice in the rewards based on individual and collective performance*” (Melhem, 2006, p: 586). Spreitzer (1995) also offers a more traditional definition of this concept, defining it as “*a motivational state that reflects an employee orientation toward work characteristics that rely on four determinants, that are competence, impact, meaning and self-determination*” (Spreitzer, 1995, p: 1441). Also, Borghei et al. (2010) view the psychological perspective as subjective feelings and phenomena, meaning that this perspective is considered an internal motivational construct.

## **2.2 Customer-oriented behavior**

For the service setting, scholars provide, design, and implement a theory called the Service-Profit Chain (Heskett et al., 1997). This theory and these practices suggest that employees being satisfied make them more committed to their organizations and to the service they offer. Because of this, customers and clients become more satisfied and loyal, and more sales, revenues, and profits can be guaranteed.

Several terms and concepts have been developed in the literature as positive and favorable behaviors by providers and frontline employees. These include customer-oriented selling (Martin and Bush, 2003), customer orientation (Chow et al., 2006; Reychav and Weisberg, 2009; Gazzoli et al, 2013), organizational citizenship behavior (Chaing and Hsieh, 2012; Tang and Tang, 2012), and customer-oriented behavior (Peccei and Rosenthal, 2001; Lanjananda and Patterson, 2009; Pimpakorn and Patterson, 2010).

To be more precise, customer-oriented behavior can be defined as “*the ability to identify, evaluate, understand, and meet customer needs*” (Reychav and Weisberg, 2009, p: 354). Mechinda and Patterson (2011) define it as “*specific behaviors that frontline employee displayed during service contact point with aim to make customer more satisfied with service*” (Mechinda and Patterson, 2011, p: 103).

Pimpakorn and Patterson (2010) view customer-oriented behavior as a willingness of subordinates to behave with a favorable attitude and deliver a high quality of services to customers. Taheri and Gharakhani (2012) argue that employees with friendly and courteous personalities have a high level of customer orientation: “*If you want friendly, courteous service, you must hire friendly, courteous people...It is possible to provide employees with the technical skills needed for the job, but difficult to train them to be friendly and caring*” (Taheri and Gharakhani, 2012, p.12).

## **3. Research Model and Hypotheses Development**

Before presenting the research model, it is worth reviewing several previous empirical studies that addressed the impact of employees’ empowerment on customer-oriented behavior. Doing this will make it possible to discover the research problem (gap) and the rationale for conducting this study.

Gazzoli et al. (2009), for instance, investigate the impact of structural empowerment on enhancing employees’ customer orientation and investigate how restaurants can enhance their employees’ attitudes toward their jobs. The findings of Gazzoli et al.’s study indicate a positive and direct effect of empowerment on the perceptions and attitudes in employee customer orientation. Lee et al. (2006) conducted another study in the Korean hotel industry to explore and confirm the relationship among several variables including structural empowerment, service training, service reward, job attitudes such as job satisfaction and organizational commitment, and the customer-oriented, prosocial behavior of employees.

Chow et al. (2006) also measure the impact of developmental experience, organizational support, and psychological empowerment on customer orientation and performance outcomes in full-service Chinese restaurants. Their findings show that both empowerment and organizational support have a significant effect on customer orientation. Peccei and Rosenthal (2001) conducted a large-scale study to answer questions about what could generate the desired level of customer-oriented behavior for employees in the supermarket industry. The results confirm the previous assumptions that empowerment and human resource practices have a direct impact on customer-oriented behavior.

In the Jordanian setting, Odeh (2008) tries to explore the relationship between frontline employees' empowerment and service quality in the restaurant industry. The findings of the study indicate that job satisfaction, organizational commitment, and customer-oriented behavior highly mediate the relationship between psychological empowerment and service quality. In other words, it is confirmed that psychological empowerment leads to better customer-oriented behavior by employees.

In a very recent study using new perspectives, Auh et al. (2014) measured the impact of leadership empowerment on service-oriented citizenship behavior. Auh used two levels of leadership empowerment at the individual level and at the group level, using many sources of data (i.e., frontline employees and supervisors). The findings indicate that the group level of leadership empowerment explains a significant variance in service-oriented citizenship behavior.

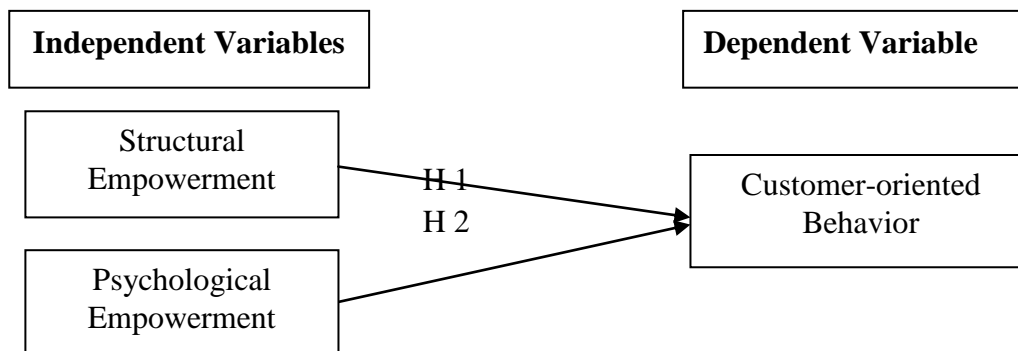
In light of the preceding discussion, it is clear that researchers have examined empowerment and employees' customer-oriented behavior by using different perspectives of empowerment in different industries. But despite the importance of this concept in general and in the service sector in particular, none of the previous studies (according to the knowledge of researchers) investigates the two forms of empowerment together, including their impact on customer-oriented behavior.

In other words, limited studies (if any) address the two forms of empowerment simultaneously and their impacts on customer-oriented behavior. Thus, the present study aims to answer the following research question and problem:

*Does employee empowerment positively influence customer-oriented behavior in the Jordanian commercial banking sector? If yes, which type (form) of empowerment has a greater impact on customer-oriented behavior in the Jordanian commercial banks?*

In order to depict the relationships between variables under investigation in this study, Figure 1 shows the directions among these variables.

**Figure 1. Research Model**



According to the above research model, it was assumed in this study that empowerment gives employees more power and autonomy to perform their jobs correctly; accordingly, it is logical to suppose that empowered employees can be more responsible and make quick decisions to serve their customers in a better way, as claimed by Gazzoli et al. (2009) and Abu Kassim et al. (2012). Thus, empowerment provides more opportunities to make quicker responses, taking less time in satisfying customer's requests. However, it is not clear which type and form of empowerment will do so better and to a greater extent. Therefore, the present study will have the following two hypotheses:

H1: Structural empowerment has a positive and significant impact on customer-oriented behavior in the banks under investigation.

H2: Psychological empowerment has a positive and significant impact on customer-oriented behavior in the banks under investigation.

#### **4. Methodology**

##### ***4.1 Sampling procedures and data collection***

The population of the current study consisted entirely of frontline employees working in 13 commercial banks operating in Jordan. The idea behind approaching the frontline employees in the Jordanian commercial banks was that employees in this position play an intermediary role between clients and organizations, which in turn leads to improving the service delivery process (Chow et al., 2006; Lee et al., 2006; Liang and Jung, 2010).

To specify what the frontline employee positions mean, Melhem (2003) identifies several positions as frontline jobs in the banking industry, including branch manager, assistant manager, credit officer, teller, account representative, sales manager, and other employees who perform customer service responsibilities.

Accordingly, the sampling design selected needed to ensure that respondents in the study sample had certain characteristics to be selected. To do that, this study employed judgment purposive sampling, which is considered a type of non-probability sampling. This style of sampling attempts to select respondents who are compatible with the customer contact criteria as identified by researchers.

In terms of deciding the sample size required statistically, an acceptable sample size can be determined by multiplying the questionnaire items by five, that is, 5:1, which means that five observations are required for every single item (Hair et al., 2006). In other words, this study includes 41 items, so by multiplying them by 5, the result shows that the needed sample size should be 205 respondents or more, i.e.,  $N \geq 5:41$  (205). (For more discussion, see Hair et al., 2006).

In addition, this study followed Sekaran's (2003) assumptions in terms of the sample size. Sekaran recommends having no fewer than 370 respondents once the size of the research population is around 15,000 elements (i.e., 15,000 employees in the Jordanian commercial banks)

Researchers collected 377 questionnaires from all commercial banks operating in Jordan in order to satisfy and exceed suggestions introduced by Hair et al. (2006) and Sekaran (2003). However, the researchers approached only four cities in Jordan, because the selected cities represent the most important cities in Jordan in terms of population and commercial activities. It is worth noting that the researchers did not approach all branches of the commercial banks in the four selected cities, due to some geographical and time limitations.

##### ***4.2 Research instrument and measures***

The research instrument was divided into two sections; the first section was designed to collect demographic information about respondents, while the second section was designed to measure employees' perceptions of the variables under investigation. The latter section includes 41 items to measure the independent variables (structural and psychological empowerment) as well as the dependent variable (customer-oriented behavior). A five-point Likert scale was used as an interval scale ranging from (1) "strongly disagree" to (5) "strongly agree."

In terms of measures of the variables under investigation, structural empowerment was measured by investigating six dimensions that emerged in the literature, namely, communications, rewarding/incentives, training, information sharing, knowledge and skills, and delegation of authority. The scale has 19 items adapted from Melhem's (2004) and Al-Dghiemat's (2008) studies, after making some minor changes in the wording of the items to fit the current study.

For psychological empowerment, four dimensions were identified in the literature, including competence, meaning, self-determination (choice), and impact. However, the 12 items and measures used to measure the four dimensions of psychological empowerment were adapted from Spreitzer's (1995) study after making some minor changes in the wording of the items to fit the current study.

For customer-oriented behavior, two dimensions were used to measure employee behavior during their provision of services to customers, namely, role-prescribed customer service and extra-role customer service. Ten items were used and adapted from Bettencourt and Brown's (1997) study after making some minor changes in the wording of the items.

Because some items were adapted from English sources and the questionnaire had to be distributed in the Arabic language, the present study conducted back translation for some scales (psychological empowerment and customer-oriented behavior). In other words, all English items used in the research instrument were translated into the Arabic language to meet the requirement of the Jordanian context, which was the field of study. To ensure that the translated items were clear to respondents, three back translation steps were conducted. First, the original items were translated from English to Arabic by a person who is knowledgeable in the business administration field;

second, the Arabic version was translated back into the English language by an independent translator; and third, the original and the translated items were compared to ensure compatibility between them. The final process was repeated several times to make the essential modifications.

## 5. Results

### 5.1 Sample description

Table 1 shows the demographic characteristics of the respondents who participated in the study.

**Table 1. Demographic Profile of Respondents**

Characteristic	Category	Number	Percentage
<b>Gender</b>	Male	259	68.7 %
	Female	118	31.3 %
	Total	377	100%
<b>Age</b>	24 or less	54	14.3 %
	From 25 to 29 years	142	37.7 %
	From 30 to 35 years	91	24.1 %
	From 36 to 40 years	39	10.3 %
	From 41 to 45 years	34	9.0 %
	46 years or older	17	4.5 %
	Total	377	100%
<b>Education Level</b>	Diploma	51	13.5 %
	Bachelor	303	80.4 %
	High Diploma	8	2.1 %
	Postgraduate	15	4.0 %
	Total	377	100%

**Source:** Researchers

Table 1 shows that 68.7% of respondents in the research sample were male, and 31.3% of respondents were female. Such figures are not surprising, since employed males in Jordan form 83.2% of the total number of Jordanian employees versus 16.8% for females (Director of Statistics-Statistics of Labor in Jordan, 2013). Table 1 also indicates that the category of 25–29 years of age constitutes about 38% of respondents. Having such a result implies that people occupying the front line jobs are still young. The above table shows also that 80% of respondents have a Bachelor's degree, which is compatible with the general profile of Jordanian people.

### 5.2 Reliability of measures

The reliability of items used in the research instrument was measured by using the Cronbach's alpha test. In order for measurements to be acceptable, the minimum acceptable level of the Cronbach's alpha score should be equal to or more than 0.70 ( $\alpha \geq 0.70$ ), as suggested by Sekaran (2003). Table 2 summarizes the Cronbach's alpha scores for the four following variables under investigation.

**Table 2. Cronbach's Alpha Scores**

Variable	Cronbach's Alpha	No. of Items
Structural Empowerment	0.87	19
Psychological Empowerment	0.78	12
Overall Empowerment	0.89	31
Customer-oriented Behavior	0.83	10

**Source:** Researchers

As shown in Table 2, Cronbach's alpha for the overall empowerment scale was 0.89. In terms of the two forms of empowerment, Cronbach's alpha for structural empowerment was 0.87, and Cronbach's alpha for psychological empowerment was 0.78.

### 5.3 Descriptive analysis

To summarize the findings, the following table shows the mean and standard deviation scores for all dimensions

**Table 3. Mean Scores, SD and Responding Level for All Dimensions**

Variable	No.	Dimension	Mean	Std. Deviation	Responding Level
Structural Empowerment	1	Communications	3.70	0.76	High
	2	Rewards/Incentives	3.33	0.76	Medium
	3	Training	3.65	0.68	Medium
	4	Information Sharing	3.69	0.75	High
	5	Knowledge and Skills	3.88	0.65	High
	6	Authority Delegation	3.74	0.66	High
	Structural Empowerment		3.66	0.52	Medium
Psychological Empowerment	7	Meaning	3.88	0.72	High
	8	Competences	4.00	0.59	High
	9	Self-determination	3.76	0.67	High
	10	Impact	3.76	0.68	High
	Psychological Empowerment		3.86	0.47	High
Customer-oriented Behavior	11	Role Performance	3.97	0.57	High
	12	Extra-role Performance	3.84	0.58	High
	Customer-oriented Behavior		3.90	0.53	High

**Source:** Researchers

On one hand, as shown in Table 3, the highest mean score among the structural empowerment dimensions was the “knowledge and skills dimension” (Mean Score: 3.88; SD: 0.65). The highest mean score among the psychological empowerment dimensions was “competences” (Mean Score: 4.00; SD: 0.59). “Role performance” had the highest score among the two dimensions of customer-oriented behavior (Mean Score: 3.97; SD: 0.57). On the other hand, the lowest mean score for dimensions among structural empowerment was “rewards and incentives” (Mean Score: 3.33; SD: 0.76). Accordingly, frontline employees in the banks under investigation are not happy and satisfied about their rewards and systems. The lowest mean score for dimensions of psychological empowerment was “self-determination and impact” (Mean Score: 3.76; SD: 0.67). These findings indicate that frontline employees are not happy with the practices of self-determination and their influence on the employees’ business processes.

Table 3 also shows a medium level of structural empowerment, since the mean score was 3.66 and the standard deviation score was 0.52. In contrast, Table 3 shows a high level of psychological empowerment, since the mean score was 3.86 and the standard deviation score was 0.47. Finally, the findings show a high level of customer-oriented behaviour among frontline employees, since the mean is 3.90 and the standard deviation is 0.53. Accordingly, frontline employees in the banks under investigation believe that they offer positive behaviour and attitude toward customers.

#### **5.4 Hypotheses testing**

Two types of regressions were used in this study. The first type was a simple regression, to measure separately the impact of structural empowerment as well as that of psychological empowerment on customer-oriented behavior, as shown in Table 4. The second type of analysis was multiple regressions, used to measure the simultaneous impact of structural empowerment and psychological empowerment on customer-oriented behavior, as shown in Table 5. Multiple regressions were also used to measure the impact of all dimensions of the two forms of empowerment on customer-oriented behavior, as shown in Tables 6 and 7.

**Table 4. Results of Hypotheses Testing (Simple Regression)**

Hypotheses	Independent Variable	Dependent Variable	R <sup>2</sup>	Beta	Sig	Result
H1	Structural Empowerment	Customer-oriented Behavior	0.235	0.48	0.000	Accepted
H2	Psychological Empowerment	Customer-oriented Behavior	0.426	0.65	0.000	Accepted

Source: Researchers

According to Table 4, simple regression shows that there is a significant impact of structural empowerment on customer-oriented behavior, i.e., Sig (0.00) at level ( $\alpha \leq 0.05$ ). However, this impact is not high enough, since the value R<sup>2</sup> is 0.24, which means that structural empowerment predicts and explains only 26% of customer-oriented behavior. Moreover, Table 4 informs us that there is a significant impact of psychological empowerment on customer-oriented behavior, i.e., Sig (0.00) at level ( $\alpha \leq 0.05$ ). However, it's worth noting that this impact is relatively high, since the R<sup>2</sup> value is 0.43, which means that psychological empowerment explains 43% of customer-oriented behavior.

In terms of measuring the simultaneous impact of the two types of empowerment on customer-oriented behavior, multiple regressions were conducted to explore which form of empowerment has a stronger impact on customer-oriented behavior. However, the researchers checked and passed all assumptions of multiple regressions before running the analysis, including sample size, multicollinearity, outliers, and normality, linearity, and homoscedasticity of residuals (Pallant, 2005; Hair et al., 2006).

**Table 5. Results of Hypotheses Testing for the Two Types of Empowerment (Multiple Regressions)**

Hypotheses	Independent Variable	Dependent Variable	R <sup>2</sup>	Sig	Beta	Result
	Structural Empowerment & Psychological Empowerment	Customer-oriented Behavior	.446	.000	0.17	Stronger Impact of Psychological Empowerment
					0.55	

Source: Researchers

It can be observed from Table 5 that there is a variation between structural and psychological empowerment in terms of the impact on customer-oriented behavior. In other words, the  $\beta$  value for structural empowerment was 0.17 and for psychological empowerment was 0.55, which means that any increase of structural empowerment will enhance customer-oriented behavior by 0.17, and any increase of psychological empowerment will enhance customer-oriented behavior by 0.55. Thus, such findings imply that psychological empowerment has a greater influence and impact on customer-oriented behavior than does structural empowerment.



**Table 6. Results of Hypotheses Testing for All Dimensions of Structural Empowerment (Multiple Regressions)**

Independent Variable	Dimensions	Dependent Variable	R <sup>2</sup>	Beta	Sig	Result
Structural Empowerment	Communications	Customer-oriented Behavior	.248	0.26	.000	Significant Impact
	Rewards			-0.03	.607	Insignificant Impact
	Training			0.14	.026	Significant Impact
	Information Sharing			0.08	.141	Insignificant Impact
	Knowledge and Skills			0.25	.000	Significant Impact
	Authority / Delegation			-0.03	.621	Insignificant Impact

Source: Researchers

As shown in Table 6, multiple regressions indicate a significant impact of only three dimensions of structural empowerment, namely, communication, training, and knowledge and skills, on customer-oriented behavior ( $\alpha \leq 0.05$ ). However, rewards, information sharing, and authority delegation did not have a significant impact on customer-oriented behavior ( $\alpha \geq 0.05$ ).

**Table 7. Results of Hypotheses Testing for All Dimensions of Structural Empowerment (Multiple Regressions)**

Independent Variable	Dimensions	Dependent Variable	R <sup>2</sup>	Beta	Sig	Result
Psychological Empowerment	Meaning	Customer-oriented Behavior	.564	0.21	.000	Significant Impact
	Competences			0.52	.000	Significant Impact
	Self-determination			-0.01	.770	Insignificant Impact
	Impact			0.19	.000	Significant Impact

The findings of multiple regressions displayed on Table 7 show that there is a significant impact of meaning, competences, and impact on customer-oriented behavior ( $\alpha \leq 0.05$ ). However, self-determination did not have any significant impact on customer-oriented behavior ( $\alpha \geq 0.05$ ).

## 6. Discussion

This study presented structural empowerment as an independent variable and investigated its impact on customer-oriented behavior as a dependent variable. A positive and significant impact of structural empowerment on customer-oriented behavior was found. This result is consistent with previous studies in terms of the impact and direction. Gazzoli et al. (2009), for instance, found that employee empowerment has a positive and direct effect on employees' attitudes and their perception of customer-oriented behavior. Lee et al. (2006) found that empowerment is strongly associated with extra-role customer service, that is, better performance of service-oriented behavior and attitudes. Additionally, Chebat and Kollias (2000) revealed that structural empowerment is the most efficient managerial tool for achieving employees' commitment toward customer orientation.

In terms of the dimensional level of structural empowerment, only three structural empowerment dimensions (i.e., communication, training, and knowledge and skills) have a positive and significant impact on

customer-oriented behavior among frontline employees in the Jordanian commercial banks. Such findings are consistent with previous studies (e.g., Lin, 2008; Lanjananda and Patterson, 2008; Mechinda and Patterson, 2011). Training programs can be designed for frontline employees to help in solving work-related problems and in enhancing skills. Opening communication channels between employees and management also plays a significant role in increasing the attention of employees toward customer-oriented behavior. Employees with adequate levels of skills and knowledge show a high level of customer-oriented behavior, since a higher level of skills and knowledge make frontline employees more willing to implement better practices and approaches when dealing with customers. As a result, less waiting and wasting time, quick answers, reliable promises, and effective solutions can be guaranteed by frontline employees.

However, an insignificant impact was found of rewards, authority delegation, and information sharing on customer-oriented behavior. This result is not inconsistent with the study of Mechinda and Patterson (2011). Having such inconsistent results can occur for several reasons, including standardized systems of compensations and incentives, rigid requirements for annual increases and promotions, unfair and complex practices of authority delegation, and finally, weaknesses in existing information sharing tools and methods. As a consequence, a negative and insignificant impact of such dimensions was witnessed in the banks under investigation.

This study also measured the impact of psychological empowerment, as an independent variable, on customer-oriented behavior. A positive and significant impact of psychological empowerment on customer-oriented behavior was found. Such a result is consistent with previous studies in terms of the impact and direction. Chaing and Hsieh (2012) found that psychological empowerment makes employees more responsive to customer requests and contributes to a high quality of service performance. Odeh (2008) found that employees who are psychologically empowered are more likely to attain a positive relationship with customers and engage in behaviors that lead them to assist the customers.

Additionally, Hancer and George (2003) found that employees' feelings of psychological empowerment increase their belief that they can do for customers what is expected of them. Pecci and Rosenthal (2001) also found a positive association between psychological empowerment and customer-oriented behavior.

In terms of the dimensional level of psychological empowerment, three dimensions (i.e., meaning, competences and impact) show a positive and significant impact on customer-oriented behavior, which is consistent with Pecci and Rosenthal's (2001) and Odeh's (2008) findings. However, self-determination did not result in a positive or significant impact on the dependent variable, contradicting the previous literature (e.g., Pecci and Rosenthal, 2001). Such inconsistent findings for the self-determination dimension might be attributed to cultural reasons and differences.

In order to explore the simultaneous influence of the two types of empowerment (structural empowerment and psychological empowerment) on customer-oriented behavior, as mentioned earlier in this study, multiple regression techniques were undertaken. The findings of the multiple regressions indicate that psychological empowerment has a greater impact on customer-oriented behavior than does structural empowerment. The reason for such findings may be that a high feeling of psychological empowerment makes employees more motivated and engaged in more favorable customer-oriented behavior. In other words, having high feelings of meaningful jobs, having more competences and giving subordinates more impact on their jobs and organizations will motivate subordinates to service customers better. On the other hand, having higher levels of structural empowerment might lead to more formality and rigidity within the organization.

## **7. Limitations and Directions for Future Research**

This study has some limitations; therefore, it offers some recommendations for future research, as follows. First, it is limited to the commercial banks sector in Jordan, and thus, future researchers are advised to conduct and reapply this study in other service sectors in Jordan to have a better generalization of the findings. Second, this study measured customer-oriented behavior by using the employee's perspective, that is, the service provider's perspective. New studies will also need to use the user's (client's) perspective. Third, this study did not consider all forms of empowerment such as leadership empowerment. So future research can expand knowledge by including all forms of empowerment.

## **8. Conclusions and Implications**

This study aimed to understand the impact of employee empowerment on customer-oriented behavior in the Jordanian commercial banks. Two types of empowerment (structural and psychological) were identified in the relevant literature. According to previous empirical studies, only one type of employee empowerment as an independent variable was tested in terms of its impact on customer-oriented behavior. Therefore, this study tried to investigate this relationship by using structural and psychological empowerment as independent variables in order to overcome deficiencies in the literature.

On one hand, the results of the study show that structural and psychological empowerment positively and significantly influence customer-oriented behaviour in the Jordanian commercial banks. Accordingly, Jordanian banks should use and implement both types of empowerment to maximize customer-oriented behavior. However, the results also show a medium level of implementation of structural empowerment and a high level of psychological empowerment's implementation in the Jordanian commercial banks. Therefore, bankers should give more attention to improving and designing better and more effective structural empowerment programs. This can be done by implementing better managerial practices such as work rotation, better job design, the use of up-to date communication and technology and the revision of job regulations and legislation.

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