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# EMPLOYEES' EMPOWERMENT, SERVICE QUALITY AND CUSTOMERS' SATISFACTION IN HOTEL INDUSTRY

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#### Abstract

This study explored the relationship between employees' empowerment, service quality and customer satisfaction among the front office staff in hotels in Benin City, Nigeria. To achieve the stated objective, questionnaires was used to collect data from respondents. Multiple regression analysis was used for the analysis of the data. Findings revealed that two dimensions of employee empowerment had a positive, and non-significant relationship with customers' satisfaction. Regarding the strength of the relationship, the result showed that both structural and psychological dimensions had a positive, but not significant relationship. The result of the relationship between employee's empowerment, and service quality showed a positive and significant relationship. The study further showed a positive but not significant relationship between employee's empowerment, and customer's satisfaction. Based on these findings, the researchers suggested that authorities in charge of hotel industry in Benin City should structure their organisation to enhance intrinsic motivation of staff towards offering of quality service culture, and organisational structure that promote meaning, competence, self-determination, and impact should be encouraged among the front office staff.

*Keywords: Employee empowerment, Customer's satisfaction, Structural empowerment, Psychological empowerment.* 

#### Introduction

The contribution of hotel industry to Nigerian economy in the last five years has been unprecedented, in particular through retail and wholesale of accommodation, and other auxiliary services. The Nigerian hotel industry anticipates an increase in the number of hotel rooms in the next five years, raising from 8, 400 in 2013 to 24, 000, in 2018, hence, the industry gears up to impact the national economy more through corresponding revenue (Nikki et al., 2015). The projected increase in hotel rooms in Nigeria, according to Price water house Coopers (2015) would see overall hotel room revenue expanding at a 22.6% compound annual rate of \$US1.1 billion in 2018 from \$448 million in 2014. However, despite the steady increase in the number of rooms available in Nigerian hotels, the average occupancy percentage in the last six years is not encouraging thus, running on an average of 50%. The implication of this is that the physical capacity of accommodation facilities in Nigerian hotels, and more so in Benin City are underutilised, hence, resulting in revenue loss, and low organisational productivity (Bello & Bello, 2015; Igbojekwe, 2002). It had been reported that many factors may be responsible for low occupancy rate of accommodation facilities, however, major among them is poor empowerment of front line employees of the hotel industry (Bello & Bello, 2015; Nikki et al., 2015; Igbojekwe, 2002; Palmer, 2001). Employee empowerment is critical to service organisations and particularly those who have frequent contacts with customers (Timothy & Abubakar, 2013). The authors further opined that empowerment enhances employee's capacity to deliver quality services, and quality service delivery lead to customer satisfaction. Empowerment of hotel staff is important because it gives them the autonomy to deal effectively with visitors' concerns (Ayupp & Chung, 2010). Furthermore. empowerment boost employees' self-efficacy (Conger & Kanungo, 1988) as it permits them to decide the best way to carry out a given task (Gist & Mitchell, 1992). Asides, it leads to employees becoming more knowledgeable and adaptive (Niehoff, Enz, & Grover, 1990; Scott & Bruce, 1994), including, freedom of employee action (Spiro & Weitz, 1990). All the above mentioned elements are determinants of the success and or failure of any accommodation business (King & Cichy, 2006). The index in this information justifies previous assertion in the domain of service management that there is a positive correlation between employee's empowerment, service quality, and customer satisfactions.

Limitations identified in the extant literature about empowerment, service quality and customer satisfaction preclude more in-depth а understanding of the concepts in the context of hotel organisation, and hence, these limitations are twofold. Firstly, previous studies in the domain of employee empowerment have shown that a combination of structural and psychological empowerment dimensions predicts customer satisfaction (Zeglat, Aljaber & Alrawabdeh, 2014). However, these studies were examined in the context of commercial banks, and insurance companies, thus, not in respect of hotel industry (Zeglat, et al., 2014; Isimoya & Bakarey, 2013). The concept of empowerment had been variously suggested to be very important in the hotel industry especially among the front-line employees that required adequate authority to respond quickly and promptly to customer's need (Timothy & Abubakar, 2013; Ogutu & Oloko, 2012; Odindo & Delvin, 2010). Timothy & Abubakar (2013) argued for the need to examine the extent structural and psychological dimensions of empowerment predicts customer satisfaction, thus, one of the gaps to be filled in the present study. In view of this, the present study aimed to assess the extent structural and psychological empowerment dimensions

predicts customer satisfaction among the front office employees of selected hotels in Benin City.

Secondly, many studies on employee's empowerment have been limited in scope, hence, focused only on empowerment of employees in the restaurant and not the hotel front office, including, assessment of satisfaction toward employee empowerment from the viewpoint of the employees, and not that of the customers (Ayupp & Chung, 2010). Timothy & Abubakar (2013) argued for the need to examine employee's empowerment in respect of the front office staff, including, the assessment of the satisfaction toward employee empowerment from the viewpoint of the customers. The reasons being that the front office department is the nerve centre of the hotel (Ogutu & Oloko, 2012), where customers get their first and possibly their last impression about the general services offered (Bello & Bello, 2010). This explains the relevance of the concept of employee's empowerment to promoting service quality that translates to customer satisfaction in the hotel However, limited study had been industry. conducted to examine the relationship between these three constructs (i.e. employee empowerment, service quality, and customer satisfaction) in the context of front office staff of hotels in Benin City. This is one of the gaps to be filled in the current study.

# **Theoretical Orientations**

# **Empowerment Theory**

Sun et al. (2012) and Menon (2001) claimed that empowerment theory has three broad categories leadership, which include structural, and psychological empowerment. However, the theory has been introduced and explained more frequently using two dimensions- structural and psychological dimensions. Kanter's theory of empowerment explains the structural empowerment dimension while Spreitzer explains the Psychological

empowerment (Kanter, 1993; Spreitzer, 1995). Kanter's structural theory of empowerment argued that the structure of opportunities, power, and the proportions of people from different groups explained their behaviour within an organisation (Kanter, 1993). As it applied to the hotel front office, the structure of opportunities of the hotel, the power structure within the hotel, including, the proportions of the front office staff as presented by the management of the hotel determines the behaviour of the front office personnel. Hamborstad & Perry (2011) upheld this view as they reported that it is not the behaviour of the frontline employees in the hotel industry that determined the quality of service delivery to customers, but the structure of the hotel for which the staff are working. Abu Kassim et al (2012) posits that if there was to be any progress on offering of quality service that could translate to customer satisfaction, it would come about because the hotel organisation changed, and not necessarily the front office staff. The Spreitzer Psychological Empowerment theory on the other hand explains that employee orientation toward work characteristics rely on four determinants such as competence, impact, meaning and self-determination (Spreitzer, 1995). These are the internal stimulators that allow employees to feel or perceive they have the ability to get things done. This perception results in work effectiveness and job satisfaction (Spreitzer, 1995). As it applied to the current study, individual orientation of the hotel front office staff towards their work is determined by four factors such as competence, impact, meaning and self-determination. These four factors serve as internal stimulators that allow hotel front office staff to feel or perceive they have the ability to get things done. This perception results in quality service delivery that translated to customer's satisfaction.

## Lodging Quality Index Model (LQI)

Due to the multi-dimensional nature of service quality, and the lack of consensus on how to measure service quality in the hotel industry, including, the nature of hotel services led to the development of Lodging Quality Index (LQI). LQI was developed to overcome some problem related to SERVQUAL model in accessing service quality in the hotel industry. Unlike SERVQUAL which can be used in all the service industry, LQI model were built and used only for hotel or hospitality industry. The (LQI) model was developed based on SERVQUAL (Parasuraman, et al., 1988). From the main structure and eight-step procedure of Churchill & Supernant (1982) the lodging quality index scale was developed. The model explains service quality in hotel industry as consisting of 5 dimensions and 26 items. The five dimensions are tangible, reliability (includes original reliability and credibility dimensions), responsiveness, confidence (includes original competence, courtesy, security and access dimensions) and communication communication (includes original and understanding dimensions). The model is considered to be different from SERVQUAL model because it was developed specifically to measure service quality in the hotel industry, thus, adopted in the present study.

# Expectancy-Disconfirmation Theory of Customer Satisfaction

The expectancy disconfirmation theory is popularly used to explaining how consumers form satisfaction judgments by evaluating actual product / service. The theory broadly classified the process of satisfaction under three groups: Dissatisfaction, Satisfaction, and Extreme Satisfaction. The theory argued that the satisfaction process is the comparison of what was expected with the product or services performed (Adee, 2004; Vavra, 1997). This process has traditionally been described as the 'confirmation / disconfirmation' process (Vavra, 1997). First, customers would form expectations

prior to purchasing a product or service. Second, consumption of or experience with the product or service produces a level of perceived quality that is influenced by expectations (Oliver, 1980). If the perceived performance is less than the customer's expectation, then customer is dissatisfied. Also, if the perceived performance is exactly equal to the expectation of the customer, customers are satisfied. Customers are said to be extremely satisfied when the perceived performance exceeded the customer's expectation. As it applied to the present study, the theory posits that customers would form expectations prior to arrival at the hotel. Thereafter, the consumption of or experience of the customers with the product or service rendered by the front office staff produces a level of perceived quality that is influenced by expectations (Oliver, 1980). If the perceived performance is less than customer's expectation, then customer is dissatisfied (Ivanka, Suzana, & Sanja, 2003). Also, if the perceived performance is exactly equal to the expectation, customers are Customers are said to be extremely satisfied. satisfied when the perceived performance exceeded the customer's expectation. In view of the applicability of this theory to the present study, the researcher adopted this two dimensional theory of customer's satisfaction in the present study.

# Empirical Review: Relationship between Employees Empowerment, Service Quality, and Customers' Satisfaction

# Dimensions of Employees Empowerment, and Customer Satisfaction

Previous empirical studies addressed the impact of structural empowerment on customer-oriented behaviour. Gazzoli et al. (2009), for instance investigate the impact of structural empowerment on enhancing employees' customer orientation, including, 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 structural empowerment on the perceptions and attitudes in employee customer orientation. Lee et al. (2006) conducted another study in the context of Korean hotel industry to explore if structural empowerment predicts customer satisfaction. The findings indicated that structural empowerment strong prediction on customer satisfaction. In view of these findings the present study hypothesised that structural empowerment of the hotel front office staff has a strong and positive prediction on customer satisfaction. Furthermore, various authors argued for the need to view the concept of EE from the front line employee's perspective rather than the general employee's domain especially in the service organisations. Their argument is based on the fact that the front line employees are cardinal to delivery of quality service that enhance customer's satisfaction since the front line employees maintain constant contact with the customers (Bowen & Lawler, 1992; Zemke & Schaaf, 1989). Employee's empowerment is therefore defined as sharing with the front line employees the required information about an organizations performance, information about organisation rewards based on organizational performance, including, knowledge that enable the front line employees to understand and contribute to organizational performance, and giving them the power to make decisions that could influence organizational direction and performance (Bowen & Lawler, 1992; Zemke & Schaaf, 1989). This explained that the management of service organisations provide the front line employees with the required information about the organisation, hence, the front line staff are expected to be organisational oriented for them to perform. Likewise, the management of service organisation need to free the front line employees from the rigorous control imposed by instruction, policies, and orders and instead give them the freedom to take responsibility for their ideas, decisions, and actions (Rubinstein, 1993). In other way, the empowerment provided by the management enable the employees to develop their intrinsic capability, and self-determination, hence, enable them to deliver on the organisational mandate of providing quality service (QS) (Tsaur, Chang, & Wu, 2004) that impact positively on customer's satisfaction. In view of these findings the present study proposed that psychological dimension of employee's empowerment among the hotel front office staff has a strong and positive prediction on customer satisfaction.

## **Employees Empowerment, and Service Quality**

Examining the definition of service quality, Lewis and Booms (1983) were perhaps the first to define the concept as a measure of how well the service level delivered matches the customer's expectations. Thereafter, there seems to be a broad consensus that service quality is an attitude of overall judgement about service superiority, although the exact nature of this attitude is still Some suggest that it stems from a hazy. comparison of performance perceptions with expectations (Parasuraman, Zeithaml, & Berry, 1988), while others argue that it is derived from a comparison of performance with ideal standards (Teas, 1993) or from perceptions of performance alone (Cronin & Taylor, 1992). As it applied to the hotel industry especially among the front office staff, delivering quality service is considered an essential strategy for success and survival in today's competitive hotel business (Dawkins & Reichheld, 1990). The special feature of a service in the hotel industry is the contact and interaction between the employees (front office staff), and the customers (Tsaur et al., 2004). The quality of the service encounter plays an important role for the operation practice of the hotel front office. Besides the physical facility, customers' needs include the various service provided by the front office staff. Under keen competition in the hotel industry, how

the front office staff offer the best service to customers has become the most important issue for hotel administrators. Due to the intangibility of services and the heterogeneous characteristics of hotels, including, the fact that hotel managers cannot control the service delivery process too rigidly. Thus, employees and more so the front office staffs need to retain adequate flexibility to satisfy customers within their discretion. In view of this, hotel managers have designed their own systematic standards of procedure for employees. From the viewpoint of managerial practice, those hotels which emphasize individual service have adopted employee empowerment as a principal credo, so that the front office staff can identify customers' needs promptly and take the initiative to satisfy them. This implies that empowerment of the hotel front office staff make important contribution to service quality. Hence, when customer-contact employees are given a higher level of empowerment, customers are likely to have higher perceptions of service quality. Based on the above, the present study proposed that positive significant relationship exists between and employee's empowerment and service quality.

## Service Quality, and Customer's Satisfaction

Front office services in the hotel industry are variable because it requires customer involvement. Customers' needs are variable and therefore need a degree of employee's personal contact with the customer. Employees who are not allowed to take decisions as it affect their jobs in this service industry are unlikely able to deliver quality service. Dubrovski, (2001) observed that, the levels of service delivered by the hotel front office staff may also be affected if they are not in a positive mood to do their job. These conditions may have some impact on the value of quality that they deliver which may well have some influence on the customer's satisfaction or dissatisfaction (Khan, Ghouri, Siddiqui, Shaikh, & Alam, 2010). The above

information implies that empowerment among front office employee is central to quality service delivery. Empowerment improves productivity of the employees, thus, Robbins (2001) asserted that when people who actually do the work are allowed to make their own job related decisions, both the speed and quality of those decisions often improve, thus, quality service. This implies that every interaction the front office employee has with a customer represents an opportunity to build customers emotional connection or to diminish it. Sparks, Bradley & Callan (1997) reported that the hotel front office employees who are fully empowered and offer quality service to customers in attentive manner could evoke more customer satisfaction. Most hotel front office employees today are willing to accept responsibilities because they are far better educated and trained (Robbins, Ketchum & Trist (1992) observed that 2001). empowering terms should be a central concept for hotel front office managers who wish to improve service quality. Aziri (2011) pointed out that if employees could perform with responsiveness and enthusiasm, then customers would be more satisfied in the process of service delivery.

Customer satisfaction therefore is defined as customer perception regarding a particular product / service according to his / her already set expectations (Schiffman & Kanuk, 2005). Andreassen (2000) argued that quality in services is an essential part of customer satisfaction. He suggested that service providers should provide best quality services to their customers to ensure their satisfaction. The above information implies that service quality is commonly noted as a critical prerequisite for establishing and sustaining satisfying relationship with valued customers. It is pertinent to state that the association between service quality and customer satisfaction has emerged as a topic of significant and strategic concern (Cronin & Taylor, 1992). In general.

perceived service quality is an antecedent to customer satisfaction in hotel industry (Spreng & Mckoy, 1996). Thus, a proper understanding of the antecedents and determinants of customer satisfaction can be seen as to have an extraordinarily high monetary value for service organization such as hotel business in a competitive environment (Lassar, Manolis & Winsor, 2000). Bigne, Moliner & Sanchez (2003) found that the overall service quality have a significant relationship with satisfaction. Ham & Hayduk (2003) have confirmed that there is a positive correlation between perception of service quality and customer satisfaction based on the relationship between each of the dimension of service quality. In view of the above the researchers assumes that a positive and significant correlation exists between service quality and customer satisfaction in hotel industry.

# Employee's Empowerment, and Customer's Satisfaction

Sparks, et al., (1997) explore the effects of employee empowerment (full, limited, and none) on customers' satisfaction. Results revealed that fully empowered employees produce more customer satisfaction, but only when the service provider used an accommodating style of communication. Hocutt & Stone (1998) investigated the effects of frontline employee empowerment in a service recovery situation. The results revealed that if employees were properly trained and given autonomy to make decisions, then service recovery efforts would be maximized, thus leading to higher consumer satisfaction. Zeglat, et al. (2008) analysed the effect of employee empowerment on customer satisfaction and concluded a positive relationship

between the two variables. The question now is what is customer satisfaction? Customer satisfaction therefore is defined as customer perception regarding a particular product / service according to his / her already set expectations (Schiffman & Kanuk, 2005). When would customers feel that they are being offered products / service according to their expectations? That depends a lot on the efficiency levels of the service providers or on the people who are involved in the production process. How would efficiency level go up? This is possible through autonomy, responsibility, innovation and information (Yang & Choi, 2009), thus, the concept of empowerment. Empowered employees are more motivated as compared to those who just follow the given lines (Naeem & Saif, 2010). Employee empowerment creates sense of belongingness and ownership towards the parent organization, hence, made them feel more confident and try to give their best to their employers; as a result, service quality improves (Naeem & Saif, 2010). The authors further opined that improved product or service quality generally results into higher level of customer satisfaction. Study conducted by Yang & Choi (2009) concluded that employee empowerment can contribute a lot towards business growth and development. Business growth is largely dependent upon customer satisfaction and customer satisfaction is one of the end products of employee empowerment. In view of the above the researcher proposed that there is a positive and significant relationship between employee's empowerment and customer's satisfaction. Hence, the conceptual framework for the present study is presented as shown in Figure 1.

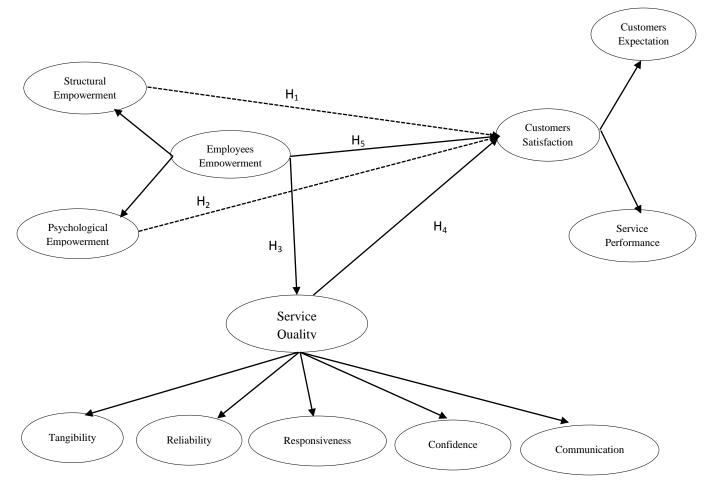


Figure 1: Employee's Empowerment, Service Quality, and Customer's satisfaction Framework for Hotel Industry (ESSF).

## **Research Methodology**

This study adopted a quantitative research design, the researcher hence. used structured questionnaire to measure impacts of employee's empowerment on service quality and customer's satisfaction among the hotel front office employees in Benin City. The research population comprised of 20 registered five star hotels in Benin City Nigeria. The sampling units used for the research work include 10 out of the 20 registered five star hotels selected through simple random sampling. The three variables in the questionnaires were also tested for their reliability using SPSS version 22. The initial data analysis in terms of missing values, influential outliers, normality, and multicollinearity were conducted using statistical package for social science (SPSS) software version 22.

#### **Data Analysis, Findings and Discussion**

The psychometric properties of dimensions of structural and psychological empowerment among front office staff in Hotel Industry in Benin City were assessed based on Cronbach's Alpha. The results of the Cronbach's Alpha value of all individual items for each of the two dimensions of employee's empowerment range between .775 and .957. The conclusion that could be reached based on this finding is that all items measure their underlying dimensions consistently (Coakes et al., 2009). The composite reliability for each of the two aggregate dimensions of employee's empowerment ranges between 0.811 - 0.966. This suggests that the composite reliability score of the two dimensions: -(α=0.811), Structural empowerment, and Psychological empowerment, ( $\alpha$ =0.966) shows that

they are all statistically reliable. This implies that items for the two measures of employee's empowerment in the context of hotels in Benin City are internally consistent (Barrett, 2007). Furthermore, the results of the reliability analysis of the service quality show that the reliability coefficients value of all the individual items ranges between 0.803 and 0.952. This suggests that all the items measure their underlying dimensions consistently (Coakes et al., 2009). The composite reliability score for each of the five aggregate dimensions of service quality ranges from .827and 0.948. Tangibility, ( $\alpha$ =.827), Reliability, ( $\alpha$ =.925), Responsiveness, ( $\alpha$ =.948), Confidence, ( $\alpha$ =.947), and Communication, ( $\alpha$ =0.942). This justifies that all the items for the five measures of service quality are internally consistent. The reliability of customer's satisfaction was assessed using

Cronbach's alpha. The reliability coefficients value of all the individual items ranges between 0.803 and 0.952. This suggests that all the items measure their underlying dimensions consistently (Coakes et al., 2009). The composite reliability score for customer satisfaction in hotel industry in Benin City is 0.879. This justifies that all the items for the variable (Customer satisfaction) in hotel industry in Benin City, Edo State are internally consistent.

# Analysis of the Extent Structural and Psychological Dimensions of Employee's Empowerment Predict Customer's Satisfaction in Hotel Industry

This objective was examined for the nature of the relationship between the predictors, its direction and strength as shown in Table 1.

		SATT	STUR	PSYCT
Pearson Correlation	SATT	1.000	.677	.423
	STUR	.177	1.000	328
	PSYCT	.223	328	1.000
Sig. (1-tailed)	SATT		.070	.140
	STUR	.070		.100
	PSYCT	.140	.100	

PSYCT The results as shown in Table 1 reveals that both dimensions of employee's empowerment; structural empowerment (r = .177; p > .05), and psychological empowerment (r = .223; p > .05) has a positive, and non-significant relationship with customer's satisfaction in the hotel industry. Regarding the strength of the relationship, the results shows that structural empowerment have a negligible relationship, while psychological

empowerment have a low relationship. This shows that hypothesis 1 and 2 were not supported. Aside reporting the effect of dimensions of employee's empowerment on customer's satisfaction (r), Tabachnick & Fidell (2007) suggested reporting the dimension of empowerment that mostly predict customer satisfaction, hence, the dimension with the higher *beta* is considered the most predictor as shown in Table 2. Table 2: Coefficient of Contribution of Structural and Psychological Empowerment on Customer's Satisfaction in Hotel Industry

	Unstandardized Coefficients		Standardized Coefficients			95.0% Confider	nce Interval for B
Model	В	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1 Const.	8.733	.360		8.071	.000	2.201	3.617
Structural	134	.082	415	1.642	.056	294	.426
Psychologi cal	099	.045	166	2.183	.106	188	120

The results as shown in Table 2 suggested that structural empowerment is not statistically significant, but recorded a higher beta value (beta = -.415, p > .05 than the psychological empowerment scale (beta = -.166, p > .05) which is also not significant. Hence, structural empowerment mostly predicts customer's satisfaction in hotels in Benin City.

# Analysis of the Relationship between Employees **Empowerment, Service Quality and Customer** Satisfaction

The relationship between employees' empowerment and service quality in the context of hotels in Benin City was examined for the nature of the relationship between the predictors its direction and strength as shown in Table 3.

Table 3: Pearson Correlations of Employees Empowerment and Service Quality								
				SER_QUA	LITY		EMPOWERME	NT
Pearson Correlation	SER_QUALITY			1.000	)		.799	
	EMPOWERMENT			.799			1.000	
Sig. (1-tailed)	SER_QUALITY						.000	
	EMPOWERMENT			.000				
The results in Table 3 shows that the relationship		hotels	in	Benin City	have	а	positive and	high

between employees empowerment and service quality in the context of hotels in Benin City is positive and significant (r = .799; p < .05), thus supporting hypothesis 3. Regarding the strength of the relationship, the results shows that employee's empowerment and service quality in the context of Table 4: Pearson Correlations of Employees Empowerment, Service Quality, and Customer Satisfaction

relationship.

The relationship between service quality and customer's satisfaction in the context of hotels in Benin City was examined for the nature of the relationship, including its direction and strength as shown in Table 4.

		SATT	QUALT	EMPERT
Pearson Correlation	SATT	1.000	.765	.082
	QUALT	.765	1.000	.199
	EMPERT	.082	.199	1.000
Sig. (1-tailed)	SATT		.000	.150

(	QUALT	.000		.000
	EMPERT	.150	.000	

The results as shown in Table 4 shows that the relationship between service guality and customer satisfaction is (r = .765; p < .05) positive and significant. This shows that the hypothesis 4 is supported. Regarding the strength of the relationship, the results shows that service quality and customer satisfaction in the context of hotels in Benin City have a high relationship. The results of the relationship between employee's empowerment and customer satisfaction is (r = .082; p > .05) as shown in Table 4 is positive and not significant, thus not supporting hypothesis 5. Regarding the strength of the relationship, the results shows that employee's empowerment and customer satisfaction in the context of hotels in Benin City have a negligible relationship. Aside reporting the result of the relationship between employee's empowerment, service quality, and customer's satisfaction (r), Tabachnick & Fidell (2007) suggested reporting the model fit. Hence, how much of the variance in dependent variable is explained by the model which includes the independent variables. In the context of the present study, the results of the regression model of employee's empowerment, service quality, and customer satisfaction in hotel industry in Benin City as shown in Table 5 were examined.

Table 5: Regression Model of employee's empowerment, Service quality, Customers' Satisfaction in Hotels Industry

Model	R	R Square Adjusted R Square		Std. Error of the Estimate	
1	.203ª	.41	.021	2.31582	

## a. Predictors: (Constant), EMPERT, QUALT

#### b. Dependent Variable: SATT

The results from Table 5 shows that there is a positive multiple correlation among the two variables (i.e. independent Employee's empowerment, and service quality) and the dependent variable; Customer's satisfaction (R = .203). Table 5 further shows that the R square value for the regression is .41 indicating that about 41% of the variance in customers satisfaction is explained by the two independent variables. Thus, the remaining 59% is due to other factors and residuals. Furthermore, the result of R value of .203 is significant (F 14.448; p < .05). This implies that a positive significant relationship exists between employee's empowerment, service quality, and customer's satisfaction.

#### **Discussion of Findings**

Inability of the management to control the service encounter makes the employees responsible for the quality of service delivered to the customers (Ahmed & Rafiq, 2003; Igbojekwe, 2002; Palmer, 2001). The quality of the service and the satisfaction the customer may derive will be an assessment of the entire service experience, including, the degree of empowerment of staff in an organisation (Bello & Bello, 2015). One of the arguments of employee empowerment is that employees act as an interface between the customers and the organization, hence, the practice directly enhances quality service delivery, and as well ensures customer satisfaction (Grönroos, 2001). In view of this, the present study examined the impact of employees' empowerment on service quality, and customer's satisfaction in the context of selected hotels in Benin City, Nigeria. The study addressed three specific objectives and the findings are as follows.

# Discussion of the Extent Structural and Psychological Dimension of Employee's Empowerment Predicts Customer's Satisfaction

The results of this study revealed that both the structural and psychological dimensions of employee's empowerment have a positive and nonsignificant relationship with customer's satisfaction in the context of hotel industry in Benin City. Regarding the strength of the relationship, the results further shows that structural dimension of empowerment have a positive, and negligible relationship while psychological dimension have a positive and low relationship. This implies that there is no strong positive correlation between both dimensions of employee's empowerment, and customer satisfaction in the context of hotels in Benin City, thus, did not support hypothesis H<sub>1</sub> and H<sub>2</sub>. This result negates the findings of some previous studies in the domain of employee empowerment. Though previous studies posits that a combination of structural, and psychological empowerment dimensions positively and high relationship with customer's satisfaction (Zeglat, Aljaber & Alrawabdeh, 2014). These studies were examined in the context of commercial banks, and insurance companies, thus, not in respect of hotel industry (Zeglat, et al., 2014; Isimoya & Bakarey, 2013). However, the finding of this study is in consonance with the findings in Bello (2012). The author suggested in his book titled hospitality economics that dimensions of employee's empowerment did not ordinarily translate to customer satisfaction without offering of quality services. This implies that it is the service quality that leads to customer satisfaction, hence, not the dimensions of employee's empowerment. Aside discussing the correlation between the dimensions of employee's

empowerment and customer satisfaction, this study also analysed the relative contribution of both dimensions of empowerment to customer satisfaction. The result shows that though both the structural and psychological empowerments are not statistically significant, but structural empowerment recorded a higher beta value than the psychological empowerment scale. This implies that structural empowerment have higher relative contribution to customer satisfaction in the context of hotels in Benin City. Based on the above, the conclusion that could be drawn is that dimensions of employee's empowerment did not ordinarily translate to customers' satisfaction without offering of quality hospitality services. Aside, structural empowerment has higher relative contribution to customer satisfaction in the context of hotels in Benin City than psychological dimension.

# Discussion of the Relationship between Employees Empowerment, Service Quality and Customer Satisfaction

The results in respect of the relationship between employee's empowerment and service quality in the hotel industry in Benin City show a positive and significant relationship. Regarding the strength of the relationship, the results show that employee's empowerment and service quality in the context of hotels in Benin City have a positive and high relationship. This implies that there is a positive and high correlation between employee's empowerment and service quality. This result is in consonance with some previous literature in the domain of employee's empowerment. Previous studies on empowerment opined that empowerment enhances employee's capacity to deliver on quality services (Timothy & Abubakar, 2013; Ogutu & Okolo, 2012; Odindo & Delvin, 2010). In another study, Gazzoli et al. (2009) investigated the impact of empowerment on employees' customer orientation, including, how restaurants can enhance their employees' attitudes

toward their jobs. The study concluded that employee's empowerment enable the employees to develop their intrinsic capability, and selfdetermination, hence, enable them to deliver on the organisational mandate of providing quality service (QS). Based on the above results, the present study concludes that positive and high significant relationship exists between employee's empowerment and service quality, thus, supported hypothesis 3. The study further examined the relationship between service quality and customer satisfaction among the front office employees of hotel industry in Benin City. The result shows that there is a positive and significant relationship between service quality, and customer satisfaction in the hotel industry in Benin City. Regarding the strength of the relationship, the results shows that service quality and customer satisfaction in the context of hotels in Benin City have a positive and high relationship. This implies that there is a positive and high correlation between service quality, and customer's satisfaction. This result is in consonance with previous literature in the domain of service quality, and customer satisfaction. Aziri (2011) pointed that if employees who have face to face contact with customers could perform with responsiveness and enthusiasm, then customers would be more satisfied in the process of service delivery. Sparks, Bradley & Callan (1997) reported that the hotel front office employees who offer quality service to customers in attentive manner could evoke more customer satisfaction. Robbins (2001) asserted that when people who actually interact with customer's offers quality services, customers tend to have positive memorable service experience. The index in all these studies shows that high correlation exists between the quality of service offered by the staff and the satisfaction enjoyed by the customers. Based on the above results, the present study concludes that positive and high significant relationship exists between service quality, and customer's satisfaction thus, supported hypothesis 4.

In addition, the relationship between employee's empowerment and customer satisfaction in respect of front office employees of hotel industry in Benin City were examined. The result shows a positive, but not significant relationship. Regarding the strength of the relationship, the results shows that employee's empowerment and customer satisfaction in the context of hotels in Benin City have a positive and negligible relationship. This implies that there is positive but non-significant correlation between employee's empowerment, and customer's satisfaction. This result is in consonance with the findings in Bello (2012). The author suggested in his book titled hospitality economics that employee's empowerment did not ordinarily translate to customer satisfaction without offering of quality services. This implies that it is the service quality that leads to customer satisfaction, hence, not the employee's empowerment. Based on the above results, the present study concludes there is positive and not significant relationship between employee's empowerment and customer's satisfaction. This finding did not support hypothesis 5.

## **Theoretical Implication of Results**

Theoretically, no single theory have been reported as being able to explain the relationship between employee's empowerment, service quality, and customer's satisfaction in the context of hotels in Benin City. In view of this, the present study successfully applied the combination of Kanter's structural and, Spreitzer's psychological empowerment theories, Lodging Quality Index (LQI) theory of service quality, and expectancydisconfirmation theory of customer satisfaction to explaining the extent the dimensions of employee's empowerment predicts customer satisfaction, including, the relationship between employee's empowerment, service quality, and customer

satisfaction in hotel industry in Benin City, Edo State. Variables in these theories were modified to develop the employee's empowerment, service quality, and customer's satisfaction framework (ESSF) for hotel industry in Benin City. The new model offers an understanding about the relationship that exists between employee's empowerment, service quality and customer satisfaction. This also includes the dimensions of employee's empowerment that predicts customer satisfaction in the hotel industry in Benin City. Based on the findings two dimensions of employee's empowerment; structural and psychological has a positive and non-significant relationship on customer satisfaction. This implies that the structure of opportunities of the hotel, the power structure within the hotel, including, the proportions of the front office staff as presented by the management did not on its own translate to customer satisfaction among the hotels in Benin offering of quality services. City without Furthermore, the study revealed that the structural path between employee's empowerment and service quality in respect of hotel industry in Benin City has a positive and significant relationship. This implies that it is not the behaviour of the frontline employees in the hotel industry in Benin City that determined their quality service delivery to customers, but the structure of the hotels for which they were working. Also, the study revealed that the path between service quality and customer satisfaction is positive and significant. This suggests that hotel customers in Benin City are said to be satisfied when their perceived performance by the line staff exceeded the customer's front expectation. These findings further confirmed the applicability of the employee's empowerment, service quality, and customer's satisfaction framework (ESSF) to hotel industry in Benin City.

## Practice and Policy Implication of Results

Employee empowerment is critical to service organisations and particularly those who have frequent contacts with customers. Empowerment enhances employee's capacity to deliver quality services, and quality service delivery lead to customer satisfaction. The physical capacity of accommodation facilities in Nigerian hotels, and more so in Benin City could be enhanced if empowered front office staff delivered quality service that lead to customer satisfaction, thus, resulting in high revenue gain for the government, and as well increase organisational productivity. This highlight the attractiveness and importance of the concept of empowerment among the front office staff in hotel industry in Benin to fulfilling the goal of enhanced internal generation revenue (IGR) for the Edo State government and the development of the hotel industry. The findings of the present study revealed that employee's empowerment correlates positively with service guality in hotel industry in Benin City. This implies that achieving service quality in the hotel offering in Benin City, the management need to cultivate the culture of empowering their staff especially the front line staff. In view of this, it is suggested that managers of hotel industry should provide their staff with the structure of opportunity; structural power; and the relative number (proportions and social composition). In addition, the study shows that there is positive and significant correlation between service quality and customer satisfaction. This implies that emphasis on the right service culture, and organisational structure that promote meaning, competence, self-determination, and impact should be encouraged among the staff.

## **Conclusions from the Findings**

The present study were conducted on the basis of the combination of Kanter's structural and, Spreitzer's psychological empowerment theories, Lodging Quality Index (LQI) theory of service quality, and expectancy-disconfirmation theory of customer satisfaction. This is because no single theory have been reported as being able to explain the relationship between employee's empowerment, service quality, and customer's satisfaction in the context of hotels in Benin City. Congruently, in accordance with the employee's empowerment, service quality, and customer's satisfaction framework (ESSF) used for this study, research objectives, and hypothesis predictions were developed in consonance with previous literature that explored the contributions of various constructs towards explaining the relationship between employee's empowerment, service quality and customer's satisfaction in the context of hotels in Benin City. These also include the predictive effects of dimensions of employee's empowerment on customer satisfaction. Fortunately, answers to these research objectives have been found; while some of the proposed hypotheses were investigated and found to be supported and only one is found not supported. It is therefore critical to state that the service qualities that emanates from empowered contact staff especially the front office staff could be annexed towards successful packaging of hotel industry in Nigeria, thus, enhancing service quality that make Nigerian hotel a tourist delight. Similarly, when hotel managers empowered their contact staff, there is tendency for better performance of the industry and as well improvement in the nations' GDP. In the context of the present study, it is pertinent to identify factors

that could influence customer satisfaction in hotel industry in Benin City. It was concluded that empowered front line staff triggers quality service delivery, hence, managers of hotel industry should put in place management practice that will stimulate impact, confidence, competence, and self-determination. This will ensure that quality service that could translate to customer satisfaction is delivered.

# Limitations of the Study

The current study has been designed to examine impact of employee's empowerment on service quality, and customer satisfaction in hotel industry in Benin City, Edo State. Despite the insightful results that were obtained, the study still has some limitations. One of the limitations of the current study is that only the front office staff in hotel industry was focused, thus, did not consider other contact staff in other department and units such as restaurant, housekeeping and bar among others. If this is done it may provide a more in-depth insight and more meaningful results. The study sampled staff on duty while the researcher visited for administration of the questionnaires. If this study is repeated in the future, it might provide different results and information because of dynamic nature of humans. Hotels in Benin City was investigated in the current study, the sample population could be extended to more local government areas and major towns in Edo State, hence, provides better information and results.

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