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Organisational and psychological empowerment in the HRM-performance linkage

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Abstract

This paper aims to clarify the meaning of empowerment concept and determine its role in the HRM-performance linkage.

A survey of 211 customer-contact employees at 30 upscale hotels in Lithuania was conducted to study organisational empowerment, as a bundle of HRM activities, and its association with employee attitudes and behaviour.

A distinction was made between organisational empowerment, as a bundle of HRM activities, and psychological empowerment, as an employee work-related attitude, and their role in the HRM-performance linkage was defined. Organisational empowerment was positively related to psychological empowerment, job satisfaction, and affective commitment. Psychological empowerment and affective commitment were found to mediate the impact of organisational empowerment on customer-oriented behaviour.

Keywords: HRM practices, Performance outcomes, Empowerment, Employees attitudes, Customer-oriented behaviour, Upscale hotels, Lithuania, Hotels

Introduction:

The HRM-performance linkage has been a central HRM research issue in the past decade, which has produced a number of HRM-performance models (Becker et al., 1997; Guest, 1997; den Hartog et al., 2004) and empirical evidence (Huselid, 1995; Delery and Doty, 1996; Wright et al., 2003). However, despite the great research interest in the issue, there is still an ongoing debate on a number of the linkage issues that will be addressed in this paper.

First, there is no consensus on which HRM practices should be studied in determining the link between HRM and performance. Researchers disagree on their number and universal applicability (Paauwe and Boselie, 2005). Besides HRMpractices have received varied research attention. The most widely studied HRM practices comprise training and development, pay and reward, and performance management (Boselie et al., 2005). This paper aims to explore empowerment, which in general is a widely studied HRM practice, but has received a limited attention in research on the HRM-performance linkage. Another reason which makes empowerment an interesting research object is the fact that the concept is fraught with ambiguities and disagreements on its meaning (Hales and Klidas, 1998). The term "empowerment" is often attached to different constructs. Some researchers view it as an "HRM practice" (Huselid et al., 1997); others consider it an "employee perception" (Quinn and Spreitzer, 1997), "motivational state" (Ahearne et al., 2005), or "cognitive state" (Menon, 2001). This controversy of opinions underlines a need for further research into the meaning of the empowerment concept and its role in the HRM-performance linkage. This paper contributes to prior research as it explores the meaning of the empowerment concept and makes a distinction between two types of empowerment – organisational and psychological, and defines their role in the HRM-performance linkage. performance research. The vast majority of studies have focused on financial outcomes (Boselie et al., 2005). Studies on HR-related performance outcomes are still sporadic (Wright et al., 2003; Boselie et al., 2005; Clinton and Guest, 2007) despite a general belief that HRM affects performance indirectly, i.e. through employee attitudes and behaviour, which are typically referred to as HR-related performance outcomes. Studies on this group of performance outcomes have focused mainly on factors like commitment (Wright et al., 2003; Kinnie et al., 2005; Clinton and Guest, 2007; Purcell and Hutchinson, 2007), intentions to quit/turnover (Boselie and van der Wiele, 2002; Guest et al., 2003), job satisfaction (Hoque, 1999), trust (Macky and Boxall, 2007), employee cooperation (Lambooij et al., 2006) and organisational citizenship behavior (Sun et al., 2007). This paper studies the impact of organisational empowerment, as a bundle of HRM activities, on a number of HR-related performance outcomes, a few of which – psychological empowerment and customer-oriented behaviour – have received limited attention in prior HRM-performance studies.

Third, it is noteworthy that the measurement of HR practices has evoked a lot of dispute too. Recently a distinction has been made between intended HR policies and practices, actual practices, and practices as perceived by employees (Kinnie et al., 2005). The reasoning behind this differentiation is that employee attitudes are influenced not by the way HRM practices are intended by the management, but by the way they are actually implemented and perceived by employees. Prior research has mostly looked into intended HRM practices (Becker and Gerhart, 1996). These attempts have been criticized for being too exposed to high levels of subjectivity from the respondent side, as such samples are built on a single respondent per organisation (den Hartog et al., 2004; Greasley et al., 2005), usually an HR or other top-level manager. Instead it has been argued recently that empirical research into the HRM-performance linkage should be carried out using employees as a respondent basis. This paper studies organizational empowerment as an employee perceived HR practice rather than an intended HR policy.

Finally, a lack of empirical research in the service sector can be pointed out as yet another weakness of the HRM-performance research (Batt, 2002; Guest et al., 2003). Indeed, a lot of research has studied the HRM-performance linkage in manufacturing (MacDuffie, 1995; Youndt et al., 1996; Zacharatos et al.,

2007; etc.) and mixed environments (Huselid, 1995; Huselid et al., 1997; Guest et al., 2003; etc.). As regards empirical evidence in services, it is still quite poor (Delery and Doty, 1996; Batt, 2002; Wright et al., 2003; Sun et al., 2007). In part this dearth of empirical work in services can be explicated by higher organisational and occupational heterogeneity in comparison to manufacturing (Batt, 2000). Thus, further research in the HRM-performance linkage in services is crucial. First, the sector is highly relevant to national economies (highest employment numbers and GDP contribution). Second, employees play the central role in services. Finally, it has been shown by prior research that the HRM-performance linkage is industry specific (Datta et al., 2005).

The present paper studies the HRM-performance linkage in a specific service sector, i.e. Lithuanian upscale (four and five star) hotel industry. The hotel industry makes an interesting and relevant research object, as being a global industry it has to deal with increasingly growing competition. Another sector specific problem is high employee turnover. Findings of prior research suggest that higher investment in HRM may help hotels in dealing with the above issues (Hoque, 1999; Brotherton et al., 2003). However, despite the above-mentioned centrality of HRM in hotels, the current status of its implementation in hotels is rather poor (Worsfold, 1999; Lucas, 2004; McGunnigle and Jameson, 2000). All of the above points to a need of further research on the HRM-performance linkage in the industry. This paper looks into organizational empowerment, an HRM practice, as a means of enhancing employee attitudes (psychological empowerment, job satisfaction, and organisational commitment) and customer-oriented behaviour in Lithuanian upscale hotel industry.

Empowerment and the HRM-performance linkage

Empowerment is now studied with a lesser frequency than in the past decade. Nevertheless, organisational benefits of this construct hardly evoke any doubts. Empowerment is believed to be highly valuable in services, as it leads to the following outcomes: motivated and responsive staff; lower labour turnover and costs; increased productivity; higher service quality; and bigger profits (Lashley, 1995); higher customer loyalty (Bowen and Lawler, 1992); better use of employee knowledge and skills (Mullins, 2005). However, there still does not exist a universally accepted definition of empowerment. Besides it is viewed in research as a management style (Pardo del Val and Lloyd, 2003), HR practice (Huselid et al., 1997), employee perception (Quinn and Spreitzer, 1997), and a cognitive state (Menon, 2001). Therefore, it is necessary to look deeper into what the construct of empowerment refers to. A vast body of empowerment definitions indicates a clear lack of consensus on its meaning. However, though research has not arrived at a unified attitude to the meaning of empowerment, the existing approaches fall into two broad strands (Ahearne et al., 2005):

(1) relational/organisational, where empowerment denotes a set of practices/activities associated with granting employees decision-making authority; and
(2) motivational/psychological, which refers to a motivational state.

The underlying logic of the distinction between the two constructs of empowerment rests on the meaning that is attributed to the concept of power (Conger and Kanungo, 1988). The relational construct is built on the social exchange theory, where power is viewed as dependence of actors. Respectively Conger and Kanungo (1988) define relational empowerment as a process of sharing formal authority, or control over an organisation's resources. As to the motivational construct, it follows the propositions of the psychological interpretation of power and is understood as an individual's intrinsic need to have influence. It is defined as intrinsic taskmotivation consisting of four cognitive components: impact, competence, meaningfulness, and choice (Thomas and Velthouse, 1990).

A distinction between the organisation and an individual may serve as another point of reference in the elucidation of the empowerment concept. Respectively a differentiation can be made between an HRM

practice of sharing power with subordinates (organisational empowerment), and an individual's perception of the power/authority that has been granted to him/her (psychological empowerment).

Organisational empowerment as a bundle of HRM activities

Given the above considerations, organisational empowerment, as a managerial practice of granting authority to one's subordinates for executing their primary tasks, can be placed under HRM practices, as it is proposed by Huselid et al. (1997). It is noteworthy however that prior research typically studies organisational empowerment as an HRM practice that refers to authority granting to employees, and its measures are limited to the degree of decision-making power. We propose that organisational empowerment should be viewed as a bundle of HRM activities rather than being measured merely through the degree of decision-making power, as its implementation does not suffice authority granting to subordinates. If we look into the meaning of the word "power", we will see that it has two underlyingmeanings - "authority to do something" and "ability to make something happen" (Macmillan English Dictionary for Advanced Learners, 2002).

Therefore to be truly empowered employees need both authority and guidance and skills to make decisions that would normally be made by their supervisors. Nicholls (1995) and Jones et al. (1997) also support the idea that empowerment necessitates certain employee abilities and thus they should be provided careful coaching and training. Harley (1999, p. 43) proposes that empowerment refers to the "delegation of responsibility from management to employees, non-hierarchical forms of work organisation and sharing of information between, and within, different levels of organisation". Thus one more issue

– information sharing is added to empowerment. Similarly, Klidas (2001) distinguishes between the aggregative and integrative notions of empowerment, where the first refers to autonomy granting and the latter to the enhancement of individual or group potential. In this paper we draw a distinction between an HRM practice and activity. We refer to a practice as a broader term denoting a set of activities used to implement HRM functions. Respectively, we propose that the implementation of empowerment, as an HRM practice, necessitates a set of HRM activities. It is noteworthy that research on organisational empowerment as a multi-activity construct is rather limited. The most comprehensive work in this field is done by Matthews et al. (2003). These authors argue that the following organisational factors are linked to the facilitation of organisational empowerment:

(1) dynamic structural framework (provision of clear and modifiable guidelines);
(2) control of workplace decisions (employee involvement into all aspects of their professional career); and
(3) fluidity in information sharing (providing employees access to all kinds of information on the organisation and encouraging them to express their ideas
and grievance).

Each of the above three dimensions comprises a number of HRMactivities (see Table I). Drawing on the above considerations, it can be argued that organizational empowerment may be viewed as a set, or a bundle of HRM activities that refer to autonomy and control granting, provision of guidance and information, and development of necessary skills. Psychological empowerment as a work-related attitude Psychological empowerment is usually defined as intrinsic task motivation consisting of four cognitive components (Thomas and Velthouse, 1990):

(1) impact;
(2) competence;
(3) meaningfulness; and
(4) choice.

We propose that psychological empowerment can be considered a work-related attitude, for it has all three features of an attitude – evaluation, cognition, and behaviour, as the latter is defined by Greenberg and Baron (2003). First, an employee responds emotionally to the task based on what Thomas and Velthouse (1990) refer to as an "environmental event", or experienced-based expectations of the consequences of a particular task completion, which can be paralleled to the cognitive element of an attitude. Next, an individual's perception of the task meaningfulness, his/her ability to perform it, its impact on overall organisational performance, and degree of self-determination require what Thomas and Velthouse (1990) have termed as "task assessment", or an evaluative initiative on the side of an individual. Finally, in response to the aforementioned perceptions, an individual develops some predispositions towards a subsequent behaviour. Thus, psychological empowerment will be referred to hereinafter as an employee work-related attitude. It is noteworthy, however, that the vast majority of prior research on empowerment have studied organisational and psychological forms of empowerment in isolation, with the exception of Klidas (2001), Seibert et al. (2004), and Laschinger et al. (2004).
Research clearly lacks a more systemic effort in this field and calls for studies from a holistic perspective, i.e. integrating organisational and psychological constructs of

Table I.
HRM practices comprising organisational empowerment

Dynamic structural framework (DSF)	Control of workplace decisions (CWD)	Fluidity in information sharing (FIS)
Developing independent problem-solving skills	Involvement in work-standard development	Awareness of reward structure
Creativity stimulation	Discretion in taking paid leave	Access to company financial info
Providing info on company future plans	Involvement in defining job responsibility	Access to info in personal work-files
Providing info on company goal-implementation means	Involvement in new staff recruitment	Providing info on company clients
involvement in work-standard development	Appraisal of supervisor's performance	Effective info dissemination system
Involvement in policy development		
Allowing risk-taking		

empowerment, as the two forms of empowerment refer to varying groups of individuals and different notions: a bundle of HRM activities (organizational empowerment) and an employee work-related attitude (psychological empowerment). Thus, a proposition can be made that organisational and psychological empowerment are distinct but causally interrelated constructs, where organisational empowerment, as a bundle of HRM activities, can be viewed as an antecedent of psychological empowerment, i.e. employee work-related attitude and as such an HRM outcome. Respectively these two forms of empowerment can be analysed following the logic of the HRM-performance linkage.

HRM-performance linkage and empowerment research in the service and hotel industry

Due to service heterogeneity, a universal set of best HRM practices is hardly identifiable in the sector and only some general tendencies can be disclosed. For instance, Lucas (2004) emphasise the importance of such practices as selection, training, teamwork, empowerment, and reward. Aung and Heeler (2001) argue that along with core competencies of operations and marketing functions successful service delivery necessitates such HR-related competencies of the customer-contact personnel as an ability to establish a strong emotional bond with customers and tailor services to customers' needs and expectations, which in turn requires organisational empowerment. The great interest in empowerment in the service industry is by large associated
with the belief in its potential to enhance customer satisfaction (Hales and Klidas, 1998). Besides it is widely believed that empowerment is associated with gaining and sustaining of competitive advantage in the service industry (Conger and Kanungo, 1988; Bowen and Lawler, 1992; Lashley, 1995; Quinn and Spreitzer, 1997).

It is argued that creation of competitive advantage in the hotel industry based on the physical property, amenity levels, sales, and branding has become difficult and limited (Keating and Harrington, 2002). The areas in which hotels may seek to differentiate themselves from the competition involve well-trained and motivated staff, consistent service delivery, and competent management (Haynes and Fryer, 2000). Due to the intense competition, the hotel industry is seen as having bigger growth opportunities in the high-quality end of the market, as customers have become more knowledgeable and demanding, and due to increased competition are provided a bigger choice (Keating and Harrington, 2002). Thus, quality improvement may be recognised as a key success factor of the hotel industry (Davidson, 2003). Findings of a study conducted in the UK hotel industry revealed that hotels following a quality enhancement strategy along with more intense HRM practice implementation were among the most successfully performing organisations (Hoque, 1999), which also points to the relevance of HR and their management in hotels.

Findings of HRM research in hotels, however, propose that HRM is carried out in an ad hoc manner and still resembles the old personnel management rather than HRM, as its integration with the overall business strategy is still missing in most cases (Worsfold, 1999; Lucas, 2004). On the other hand, there is some empirical evidence that hotels in some countries have started giving HRM a more strategic approach (Hoque, 1999; Alleyne et al., 2006). Worsfold (1999) attributes the above mentioned poor uptake of HRM in hotels to the fact that majority of establishments in the industry are SMEs, which generally demonstrate lower levels of HRM irrespective of industry or sector.

Empirical evidence on successful implementation of organisational empowerment in hotels is modest and results are mixed. Some studies have revealed instances of successful implementation of this HR practice (Cacioppe, 1998; Klidas, 2001; Hechanova et al., 2006), while others found it being a mere managerial rhetoric, for in practice it was associated with increased responsibility in dealing with customer complaints and limited discretion (Hales and Klidas, 1998), or levels of its implementation were modest (Kazlauskaite et al., 2006).

The role of employee empowerment in developing employee attitudes and behaviour: research overview and hypotheses

To understand the role of employee empowerment in the development of employee attitudes and behaviour, first it is necessary to look into the HRM-performance linkage. Research has produced a

number of conceptual models, which are aimed at explaining the HRM-performance linkage (Becker et al., 1997; Guest, 1997; Wright et al., 2003; den Hartog et al., 2004). Though varying in linkage mechanisms (number of components, HRM practice and outcome specification, the role of business strategy and context, causal relationship), those models suggest that HRM practices impact organizational performance indirectly, i.e. via employee attitudes and behaviour, or individual performance. How do HRM practices contribute to the enhancement of employee work-related attitudes, individual performance and organisational performance? Most commonly this association is explained by the "ability, motivation and opportunity (AMO) theory", where individual performance is seen as a function of individual abilities to perform well, motivation to do it, and opportunity to perform (Boxall and Purcell, 2003). This means employees have to be provided necessary resources and discretion to perform accordingly. The role of HRM is then to attract and develop employee ability and to bring out desirable behaviours by providing employees motivation and opportunity. Positive associations between HRM and employee attitudes (mainly job satisfaction and commitment) have been revealed in prior research too. Garrido et al. (2005) found that compensation and job design determined job satisfaction. Macky and Boxall (2007) findings show a positive relationship between HPWS practices, job satisfaction and organisational commitment. Luna-Arocas and Camps (2008) found salary and job enrichment strategies positively related to job satisfaction and job enrichment and job stability strategies positively related to commitment. Kinnie et al. (2005) determined relationship between employee satisfaction with HRM and commitment. Given the above research considerations and findings that HRM practices have an impact on job satisfaction and commitment, and our earlier proposition that organisational empowerment can be viewed as a bundle of HRM activities, the following hypotheses are raised:

H1a. Organisational empowerment, as a bundle of HRM activities, has a positive impact on employee job satisfaction.

H1b. Organisational empowerment, as a bundle of HRM activities, has a positive impact on affective commitment.

Research on psychological empowerment in this context is limited. However, provided the construct is viewed as a work-related attitude, as proposed earlier in this paper,

HRM practices should have an impact on psychological empowerment, as is the case with other work-related attitudes – job satisfaction and commitment. Therefore we propose the following hypothesis:

H1c. Organisational empowerment, as a bundle of HRM activities, has a positive impact on psychological empowerment.

As already mentioned, HRM affects employee behaviour indirectly. den Hartog et al. (2004) suggest that HRM elicits certain employee attitudes, and it is the latter that lead to behaviour and performance outcomes. This logic can be explained on the basis of Bowen and Ostroff (2004) propositions. The authors maintain that HR practices perform a signalling function in the HRM-performance linkage. They send messages to employees from which the latter perceive what behaviour is expected from them. Thus, HRM practices lead to certain employee responses, or attitudes, which then elicit desired employee behaviour. However, as individuals may have different perceptions of the message sent, to elicit shared reactions and interpretations of the situation HRM systems have to be distinctive and consistent, and foster consensus. Prior research looked into a number of behaviour outcomes in the HRM-performance context: turnover and absenteeism (Guest et al., 2003), organisational citizenship behaviour (Sun et al., 2007). However empirical work on the mediating role of employee attitudes between HRM and behaviour is very scarce.

The few attempts include the study of Clinton and Guest (2007), which found that commitment mediates relationship between HRM practices and employee performance.

Provided HRM is positively associated with the above types of work behaviours, it should have impact on other work behaviours too. Customer-oriented behaviour is a type of behaviour that is regarded a key success factor in services. Peccei and Rosenthal (2001) define it as an extent of employee involvement in continuous service improvement and exertion of effort in satisfying customer needs. Among the recognised antecedents of customer-oriented behaviour, research has identified job satisfaction (Hoffman and Ingram, 1992) and psychological empowerment (Peccei and Rosenthal, 2001).
The above research propositions and findings on HRM impact on work behaviour, and theoretical considerations regarding the role of employee attitudes in shaping work behaviour have lead to the following hypothesis:

H2. Psychological empowerment, job satisfaction and affective commitment, as employee attitudes, mediate the relationship between organizational empowerment, as a bundle of HRM activities, and customer-oriented behaviour.

The proposed relationships are presented in the research model in Figure 1. Research methodology Sampling and data collection To test the association between organisational empowerment, as a bundle of perceived HR practices, employee work-related attitudes (psychological empowerment, job satisfaction, and affective commitment) and customer-oriented behaviour, a national employee survey was conducted at upscale (four and five star) hotels in Lithuania. A



single industry approach was chosen to control for inter-industry differences, as suggested by Delery and Doty (1996) and Hoque (1999). Besides a specific group of employees – customer-contact staff (employees with face-to-face contact with customers) – was surveyed following the proposition of Lepak and Snell (1999), who argue that due to differences in abilities, skills, knowledge, needs, professional backgrounds, employees may have varying responses to HRM practices.
A two-stage sampling procedure was employed to define the sample. First, the sample of hotels was calculated. At the time of research, the total upscale hotel population in Lithuania comprised 40 establishments. The sample of hotels to be surveyed was calculated following 'Sullivan and Rasell (1995) formula. The figure stood at 30 establishments, which were randomly selected from the total population. All of the hotels were SMEs.
Next, the overall population of customer-contact employees in the selected sample of 30 hotels was determined through communication with their management. The respective figure stood at 346. As the total population was not large, self-administered paper questionnaires with the help of hotel management were distributed among all 346 customer contact employees in the selected 30 hotels. At the end of the

survey 211 filled-in valid questionnaires were returned (response rate of 61 per cent). According to Remenyi et al.'s (1998) formula, the final margin of error comprised /- 2 per cent at 95 per cent level of confidence.
Measures The main body of the questionnaire was constructed using the following five scales:

(1) Organisational empowerment, as a bundle of HR practices, referring to dynamic structural framework, control of workplace decisions, and fluidity in information sharing, was measured using a shortened (17 items) Matthews et al. (2003) instrument.
(2) Psychological empowerment was assessed by Spreitzer (1995) 12-item scale, which measures four dimensions of psychological empowerment: meaningfulness, competence, impact, and self-determination.
(3) Affective commitment was measured by Meyer and Allen's instrument (provided in Greenberg and Baron, 2003). Normative and continuance commitment types were excluded from this research.
(4) Job satisfaction was measured by Taylor and Bowers's seven-item scale (provided in Fields, 2002), which measures overall and job facet satisfaction.
(5) Customer-oriented behaviour measurement was based on Peccei and Rosenthal's (2001) scale. This six-item scale allowed assessing overall customer-oriented behaviour and continuous improvement and efforts.

Questionnaires translated in the Lithuanian language were used in the survey. To enhance the instrument validity, a translation-backtranslation procedure was applied. To test data reliability, we measured Cronbach's a (Table II). a value of 0.70 or higher was considered as an acceptable level of internal scale reliability. a value for each individual scale was higher than 0.70. The overall instrument reliability was 0.91. To ensure a more accurate measurement (taking into account a relatively small survey sample), a ten-point Likert-type scale was used, where 1 stood for "completely disagree/unsatisfied" and ten "completely agree/satisfied".

Control variables

Several variables were included for possible statistical control. Prior research shows that the following variables may have an impact on the constructs under this study: respondent age, gender, tenure, and work nature (permanent/temporary) (Macky and Boxall, 2007; Kinnie et al., 2005). However, findings of prior research regarding their impact on employee attitudes and behaviour are mixed.

Data analysis

To examine relationships between variables measured on a continuous scale (organisational empowerment, job satisfaction, psychological empowerment, commitment, customer-oriented behaviour) Spearman's correlation was calculated; for relationships between continuous (organisational empowerment, psychological empowerment, job satisfaction, affective commitment and customer-oriented behaviour) and discrete (gender, work nature) variables eta coefficients were used, and Cramer's V between two variables measured by discrete dichotomous scales (gender, work nature). To test the proposed model (Figure 1) a multiple linear regression analysis was applied. Relationships were considered statistically significant with 0.95 confidence, if p # 0.05.

Research findings

Relative descriptive statistics and correlation coefficients are provided in Table II. Organisational empowerment is significantly related with employee psychological empowerment, job satisfaction affective commitment, and customer-oriented behaviour. Psychological empowerment, job satisfaction and affective commitment are significantly related with customer-oriented behaviour. Besides it was found that older and long-tenured employees demonstrate higher psychological empowerment, affective commitment and customer-oriented behaviour. Employees under permanent employment demonstrate higher job satisfaction, psychological empowerment, commitment and customer-oriented behaviour. None of the variables is significantly associated with gender.

Prior to testing research hypotheses, items constituting organizational empowerment were subjected to a principal component factor analysis with Varimax rotation. The KMO measure of sampling adequacy and Bartlet test of sphericity suggested that the data were suitable for analysis. The analysis revealed

Table II: Descriptive statistics and correlations

	Mean	SD	Cronbach α	1	2	3	4	5	6	7	8
1. Organisational empowerment	5.07	1.281	0.75								
2. Psychological empowerment	7.23	1.342	0.82	0.500**							
3. Job satisfaction	6.52	1.661	0.72	0.620**	0.505**						
4. Affective commitment	5.88	2.031	0.84	0.561**	0.682**	0.617**					
5. Customer – oriented behaviour	7.75	1.459	0.78	0.306**	0.574**	0.290**	0.443**				
6. Age	25.83	7.345	n/a	−0.042	0.221**	−0.054	0.156*	0.205**			
7. Tenure	2.00	2.212	n/a	−0.001	0.239**	0.050	0.199**	0.237**	0.604**		
8. Gender	n/a	n/a	n/a	0.002	0.000	0.057	0.149	0.030	0.133	0.144	
9. Work nature	n/a	n/a	n/a	0.068	0.327	0.195**	0.347**	0.221*	0.195**	0.222**	0.048

Note: $^{*}p < 0.05$; $^{**}p < 0.001$

four factors with eigenvalues .1.00, which together explain 49.5 per cent of variance (Table III). The first factor, which we labelled "authority granting", involved nine HRM activities: involvement in policy and work-standard development, provision of information on future organisational plans, goal implementation means, and company clients, awareness of reward structure, creativity stimulation and independent problem-solving. The second factor, "involvement in job and responsibility definition", comprised involvement in defining job responsibility, establishment of work-guidelines, risk taking and providing access to information in personal work-files. The third factor, "information sharing", involved development of an effective system for disseminating information, provision of access to financial data and involvement in the appraisal of a supervisor's performance. The fourth factor, "involvement in work-arrangement and recruitment", comprised involvement in new staff recruitment and providing employees discretion in taking their paid leave.

Hypotheses testing

To test the hypotheses and the impact of controls on the dependent variables, a number of multiple linear regression analyses were performed. First, we assessed the impact of the control variables (demographics, tenure and nature) and employee attitudes and behaviour. Models 1, 3, 5 and 7 (Table IV) show that age and gender have no significant association with any of the attitudes or behaviour. Permanent work is negatively associated with psychological empowerment and affective commitment, and tenure is positively related to customer-oriented behaviour; however, the percentage of variance explained by the controls cumulatively in all attitudes and behaviour was insignificant.

H1a, which predicted a positive impact of organisational empowerment on job satisfaction, was supported by our data. Model 4 (Table IV) shows that "authority granting", one of the factors of organisational empowerment, has a significant impact on job satisfaction ß ¼ 0:531; p , 0.01).

The results also supported H1b, which predicted a positive impact of organizational empowerment on affective commitment. The findings in Model 6 indicate a significant positive relationship between "authority granting" and affective commitment (ß ¼ 0.526, p , 0.01).

H1c, which predicted a positive impact of organisational empowerment on psychological empowerment, was also supported by the data. Model 2 shows that "authority granting" has a statistically significant impact on job satisfaction (ß ¼ 0.371, p , 0.01). "Information sharing" (Factor 3) has a negative impact on psychological empowerment; however the relationship is very weak. To test H2, which proposed that psychological empowerment, job satisfaction and affective commitment mediate the relationship between

organisational empowerment and customer-oriented behaviour, we used Baron and Kenny (1986) procedure for testing mediation, according to which three conditions have to be met:

(1) [n list]existence of a significant relationship between the dependent and independent variables;
(2) existence of a significant relationship between the mediator(s) and the independent variable; and
(3) the significant relationship between the dependent and independent variables should be insignificant when the mediator(s) is entered into the model.

Table III. Factor structure of organizational empowerment

Factor 1 "authority granting" (21.1 per cent of variance)	Loading	Factor 2 "involvement in job and responsibility definition" (11.6 per cent of variance)	Loading	Factor 3 "information-sharing" (9.3 per cent of variance)	Loading	Factor 4 "involvement in work-arrangement and recruitment" (7.5 per cent of variance)	Loading
Involvement in policy development	0.528	Involvement in defining job responsibility	0.588	Effective info dissemination system	0.684	Involvement in new staff recruitment	−0.733
Involvement in work-standard development	0.519	Establishing work − guidelines	0.455	Access to company financial info	0.684	Discretion in taking paid leave	0.638
Creativity stimulation	0.699	Allowing risk taking	−0.605	Appraisal of supervisor's performance	0.645		
Independent problem-solving	0.710	Access to info in personal work − files	0.645				
Info on goal implementation means	0.572						
Info on future plans	0.650						
Awareness of reward structure	0.522						
Info on company clients	0.696						

Note: KMO=0.823

Table IV. Results of regression analyses

Dependent variable/independent variable	Psychological empowerment (PE)		Job satisfaction (JS)		Affective commitment (AC)		Customer-oriented behaviour (COB)			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
Age	0.003	0.023	−0.040	−0.002	−0.005	0.022	−0.003	0.026	−0.011	0.011
Gender	−0.197	−0.133	−0.435	−0.383	0.297	0.500	0.201	0.183	0.229	0.060
Tenure	0.090	0.048	0.149	0.017	0.104	0.007	0.130**	0.047	0.066	0.015
Work nature	−1.267**	−1.315**	−0.907	−0.971*	−1.612*	−1.796	−0.408	−0.468	0.755	0.450
Organisational empowerment										
Authority granting		0.371**		0.531**		0.526**		0.295**		0.104
Involvement in job and responsibility definition		0.064		0.137		0.111		0.120		0.114
Info-sharing		−0.077*		0.008		−0.018		−0.116*		−0.065
Involvement in work-arrangement and recruitment		−0.007		0.009		0.071		−0.046		−0.057
Psychological empowerment									0.590**	0.571**
Job satisfaction									−0.130	−0.165
Affective commitment									0.182*	0.136
R^2	0.095	0.453	0.063	0.482	0.073	0.428	0.056	0.284	0.406	0.451
Adjusted R^2	0.071	0.419	0.038	0.450	0.049	0.394	0.032	0.242	0.376	0.402
F	3.957**	13.540**	2.504**	15.091**	3.037**	12.634**	2.338	6.707**	13.845**	9.200**

Note: *$p < 0.05$; **$p < 0.001$

The analysis showed that the three conditions were met. Model 8 shows a significant relationship between organisational empowerment (independent variable) and customer-oriented behaviour (dependent variable). Model 9 shows a significant relationship between psychological empowerment and affective

commitment (mediating variables) and customer-oriented behaviour (dependent variable). The impact of job satisfaction on customer-oriented behaviour was insignificant; however, the coefficient of determination shows that cumulatively the three attitudes have a significant impact on customer-oriented behaviour.When organisational empowerment and the three attitudes were entered (Model 10), the effects of organisational empowerment on customer-oriented behaviour vanished, suggesting support for the hypothesized mediating influence of employee attitudes between organisational empowerment and customer-oriented behaviour. Thus, H2 is partially supported.

Discussion

The overall aim of this study was to define the role of organisational and psychological empowerment in the HRM-performance linkage. Respectively we looked into the impact of organisational empowerment, as a bundle of HRM activities, on employee work-related attitudes and customer-oriented behaviour. Further on, we discuss some noteworthy findings and their implications.

First, we investigated the relationships between organisational empowerment and three employee work-related attitudes, job satisfaction, affective commitment and psychological empowerment. Our findings confirmed the following assumptions. Organisational empowerment has a statistically significant impact on job satisfaction, affective commitment and psychological empowerment. We therefore conclude that organisational empowerment is a relevant HRM practice, or a bundle of HRM activities, and it makes a significant tool in enhancing positive employee work-related attitudes. These findings to some extent support prior research that shows positive effects of organisational empowerment on job satisfaction (Laschinger et al., 2004; Seibert et al., 2004), commitment, and psychological empowerment (Seibert et al., 2004; Dewettnick and van Ameijde, 2011). However, it should be mentioned that comparison of our findings with prior research can be made, only to some extent, as different authors used different measures of organisational empowerment in their studies. In a more general sense, our findings can also be viewed as consistent with prior research HRM-performance linkage findings, where varying HRM practices were revealed to be positively associated with job satisfaction (Hoque, 1999; Macky and Boxall, 2007) and organisational commitment (Wright et al., 2003; Kinnie et al., 2005; Clinton and Guest, 2007; Purcell and Hutchinson, 2007).

It is noteworthy that not all factors of organisational empowerment have an impact on employee attitudes. Our factor analysis produced a four-factor structure of organisational empowerment. Out of the four factors, only "authority granting" was positively associated with all three attitudes, i.e. job satisfaction, affective commitment and psychological empowerment. Interestingly "information sharing" (Factor 3) was found to be negatively associated with psychological empowerment. This indicates that employees should not be overwhelmed with information. The most important information in the enhancement of psychological empowerment relates to information on future plans of the organisation and goal implementation means, rewards and company clients which falls under "authority granting" (Factor 1).

Second, we investigated the relationship between organisational empowerment and customer-oriented behaviour. Our findings showed that the impact of organizational empowerment on customer-oriented behaviour is mediated by psychological empowerment and affective commitment. These findings are in line with the logic of the HRM-performance models offered by Guest (1997), den Hartog et al. (2004), and Purcell and Hutchinson (2007) who propose that HRM affects employee behavior indirectly, i.e. via attitudes. Our findings to some extent are also congruent to those of Clinton and Guest (2007) who found that organisational commitment mediates the relationship between HRM practices and employee performance. Contrary to our hypothesis and prior research findings (Hoffman and Ingram, 1992), job satisfaction was not found to be associated with customer-oriented behaviour. The impact of affective commitment on customer-oriented behaviour was found rather weak (Model 9) and absent when organisational empowerment was entered (Model 10).

As we found no prior research on this relationship, we cannot make any comparisons. However, our findings emphasise the critical role of psychological empowerment in the enhancement of customer-

oriented behaviour, which is also congruent with prior research that found a positive relationship between the two constructs (Peccei and Rosenthal, 2001).

Our paper also contributed to prior research, as we drew a clear distinction between organisational and psychological forms of empowerment. Organisational empowerment was viewed as a multi-activity HRM practice. We defined psychological empowerment as a work-related attitude, for it bears cognitive, evaluative and behavioural aspects that are typically attributed to the concept of an attitude. Respectively we suggested placing psychological empowerment among other work-related attitudes (job satisfaction and commitment), and studying it as an HR-related outcome.

The present research made another contribution to earlier works in the field, as it followed a holistic approach to empowerment and integrated both organisational and psychological forms of the construct. Thisa paper also adds to previous work in the field by studying HRMpractice impact on employee attitudes and behaviour in the hospitality industry. Given the overall relevance of services to national economies, this makes a significant contribution. Our findings indicate that higher levels of empowerment may lead to enhanced job satisfaction, psychological empowerment and affective commitment, which mediate the impact of organisational empowerment on customer-oriented behaviour. Consequently, we suggest that empowerment could be employed by upscale hotels as a means of reducing employee turnover through higher job satisfaction and affective commitment and improving service quality through enhanced customer-oriented behaviour, which in turn should lead to higher customer satisfaction and loyalty.

Implications for future research

The present study investigated organisational empowerment from an employee perspective. However, managers, or specifically line managers, are often viewed as one of the main obstacles in implementing organisational empowerment in fear of losing control. Thus a multi-perspective study of organisational empowerment would make an interesting contribution of further research. Furthermore, the distribution of roles and influences between HRM specialists and line managers in HRM implementation has been viewed recently as a relevant concern of the HRM-performance linkage research (Purcell and Hutchinson, 2007).

Second, the present study looked into the contribution of HRM, or organizational empowerment as a bundle of HRM activities, to the enhancement of organizational performance. It has been argued recently though that the understanding of HRM shaping in organisations necessitates a study of market, institutional and configurational factors (Boselie, 2009). Therefore further research should address these issues too and their impact on fostering organisational empowerment.

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