

Impact of Selected Organizational Characteristics on Psychological and Behavioural Outcomes of Hotel Frontline Employees

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ABSTRACT

This paper explores a model of the effects of empowerment, training, and reward on frontline employees' service recovery performance, job satisfaction, and turnover intentions. Data were collected using questionnaires. The hotel industry was chosen as the platform being surveyed due to the boundary spanning roles of its employees who were underpinned by frequent contacts with customers during their day to day activities. As such, it is most likely that employees, particularly the front-liners, would be individuals who address service failures. Hypotheses were formulated from previous conceptual and empirical studies. In this study, eleven hypotheses were posed to test the inter-linkages between six identified variables. Spearman Correlation was used as the method of analysis, whereby empowerment and training were found to be correlated with service recovery performance, job satisfaction, and turnover intentions. Meanwhile, reward was found to be correlated with only service recovery performance and job satisfaction. Conclusion, limitations and future research direction were also discussed.

Keywords: Empowerment, frontline hotel employees, job satisfaction, performance, turnover

INTRODUCTION

There is no doubt that things could go wrong even for a service company that is rated the best among the best. One cannot control the weather that makes the flight late, an accident that makes the package arrived broken, or an ill staff that makes her/him inattentive. The occasional service failures are in fact unavoidable, when taking into account the inseparability of a service, referring to the simultaneous production and consumption of services. This also means that both the employee and the customer are present to experience the service. Although all the problems cannot be prevented from happening, unsatisfied customers can be avoided. In other

words, when service failures do occur and customers are dissatisfied, that is then something that can be prevented. Effective service recovery may serve as a remedy. The literature on service recovery seems to have been initiated by Hart *et al.* (1990) in their article entitled, "The profitable art of service recovery". The authors are adamant that recovery is essential to service excellence. Unless an organization is committed in solving customer's complaints and problems, it would then face the consequences which can be destructive. For example, the unsatisfied customers might "defect", a term that is used to describe customers who shift their loyalty to a competing firm (Lovelock,

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2005). A study by Bitner *et al.* (1990) revealed that 42.9% of dissatisfactory encounters were related to employees' inability or unwillingness in responding to service failure situations. The high percentage of dissatisfaction indicates that the cause is not solely due to the initial failure of delivering the core service, but rather the employees' responses to the failure. In other words, the customers are more dissatisfied by the employees' responses to the failure. In other words, the customers are more dissatisfied by the employees' lack of service recovery performance than the service failure itself. This is supported in the work of Keaveney (1995), where service switching incidents of customers were found to have been partly caused by unsatisfactory employee responses to service failures. It was reported that the customers switched not because of the initial service failure, but due to the service employees' failure to handle the situation appropriately. Hence, as customers' evaluations of service encounters are often influenced by their interpersonal interactions with employees, it is important for service organizations to find ways to effectively manage their employees, especially the front liners to ensure that their attitude and behaviour are conducive in delivering quality service (Hartline & Ferrell, 1999). Parts of the suggestions discussed by Hart *et al.* (1990) were to act fast, to empower the frontline employees, and to provide them

with appropriate training. Therefore, research conducted to discover antecedents which would have an impact on frontline employees' behavioural and psychological outcomes would be useful. The subsequent sections in this paper are structured as follows; the paper will first discuss the research framework, followed by the hypothesized relationships with regard to the relevant literature. This is then continued with explanations on the methodology employed. Findings and discussions are given prior to the conclusion. Limitations and future research directions will also be discussed.

LITERATURE REVIEW

Despite the pivotal role of frontline employees in delivering quality service to customers, a careful review of the literature pertaining to the hotel industry discovers a number of problems faced by the employees. For instance, frontline hotel employees face problems in relation to inadequate pay, low job security, inadequate training and development opportunities, as well as excessive turnover (Cheng & Brown, 1998; Deery & Shaw, 1999; Pizam & Thornburg, 2000; Karatepe & Uludag, 2007). These problems can have major impacts on an organization, and these can be in terms of direct costs or indirect

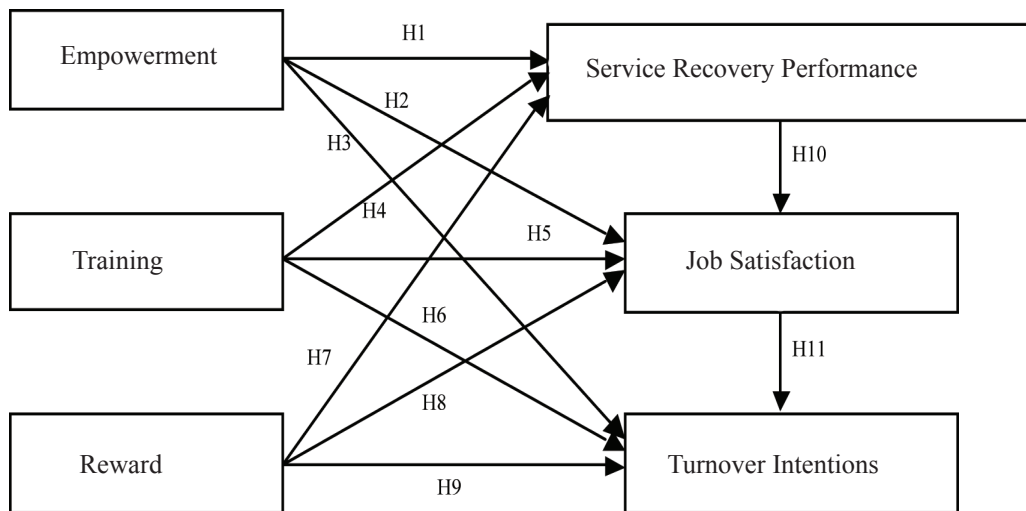


Fig. 1: The research model

costs. For example, lower job satisfaction, lower service quality, customer dissatisfaction, higher turnover, and increased costs of recruitment and selection. Consequently, action needs to be taken to make improvements. In a work environment where frontline employees are expected to deal with a wide variety of customer requests and complaints (Boshoff & Allen, 2000), empowered and well-trained frontline employees are seen as more likely to resolve customers' complaints effectively, increase their job satisfaction, and reduce their intentions to leave an organization.

As shown in *Fig. 1* above, the research framework for this study illustrates eleven hypotheses which are set to be tested. The pointed arrows reflect the constructed hypotheses. Three organizational characteristics were identified to be simultaneously tested and to find out their effects on employees' psychological and behavioural outcomes. Employees' behavioural outcome consists of their service recovery performance, whereas employees' psychological outcomes consist of job satisfaction and turnover intentions. The theory underpinning this study was derived from several studies following Hart *et al.*'s (1990) suggestion that organization should be committed in solving customers' complaints and problems by providing service training and empowering its employees. Lee *et al.* (2006), in their work, did look at the constructs of empowerment, service training, and service reward, but on a different aspect, i.e. how the variables contribute to the evaluation of organizational commitment through the medium of job satisfaction. On the other hand, Karatepe & Sokmen (2006) only focus on the effects of work role and family role variables on employees' behavioural and psychological outcomes. Therefore, the current study fills in the gaps by going a step further to simultaneously testing the contribution of the three organizational characteristics on the said outcomes.

Empowerment and Service Recovery Performance

In an experimental study by Boshoff & Leong (1998), it was found that more than 80 percent

of the respondents preferred fully empowered frontline employee to handle their complaints and solve their problems. This high percentage could be due to the fact that empowered employees would be able to attend and solve their problems immediately. The non-empowered employees, on the other hand, would have to refer to their managers for directions and permissions before taking any actions on customers' complaints. In this scenario, time has been wasted through the long chain of communication from the employees to the managers, and then back to the customers. Most customers will not feel at ease while waiting for the frontline staff to refer to other representatives or management staff before making a decision, and/or in solving the problem.

In the services and hospitality industry especially, frontline employees need to promptly respond to the individual needs of the increasingly demanding customers in an increasingly unpredictable service situation (Hartline & Ferrell, 1999). Such a situation typically occurs in the upscale sector of the hotel industry where customers expect the best. In other words, there is a need for high service quality, and thus, requiring employees to be empowered. When filing complaints, guests would expect the frontline staff to rectify the problems for them. Speedy recovery is indeed crucial when things go wrong.

There are several benefits of empowerment highlighted in the literature. Some of them include empowered employees being more customer-focused (Chow *et al.*, 2006), as well as them being able to provide quick and appropriate responses to disgruntled customers (Boshoff & Allen, 2000). Another issue to be noted is that empowerment has been found to be a key to managerial and organizational effectiveness (Conger & Kanungo, 1988). They suggest that managers should be willing to delegate authority to their employees. Managers should also be aware that the frontline employees may have a better understanding of how the service encounter can be improved. After all, they are the ones going through the day to day, often routine activities involving customers.

In addition, the setting in the hotel industry makes the frontline employees more likely to be the ones to whom the guests forward their complaints to. Attending immediately to guests' complaints is possible if employee empowerment is exercised.

Substantial empirical studies have reported a strong relationship between empowerment of frontline employees and service recovery performance (Babakus *et al.*, 2003; Yavas *et al.*, 2003; Ashill *et al.*, 2005). Empirical evidence by Chow *et al.* (2006) using service employees as the sample also lends support that empowerment significantly improves performance of frontline employees. The discussion above implies that frontline employees must be empowered to do what they perceive as right or fair given the situation and customer in question (Andreassen, 2000). Thus, the following hypothesis was formulated:

Hypothesis 1: Empowerment is positively associated with frontline employees' service recovery performance.

Empowerment, Job Satisfaction, and Turnover Intentions

There is substantial evidence that empowerment has a significant influence on job satisfaction (Spreitzer *et al.*, 1997; Eylon & Bamberger, 2000). Empowered employees would have more autonomy and control over their work. When employees believe that they are empowered, they may find that their jobs are more interesting and enjoyable. These employees would feel more motivated and valued by the organization; hence, they report higher levels of involvement and positive job perceptions (Pickard, 1993; Hayes, 1994).

Empowerment increases employees' self-esteem and loyalty towards the organization because it allows them to make on-the-spot decisions (Iris, 1991), and causes high levels of job satisfaction (Lee *et al.*, 1999; Maister, 2001). Employees who are empowered have higher levels of job satisfaction and lower levels

of job-related strains (Spreitzer *et al.*, 1997). Similarly, Kirkman & Rosen (1999) also found that empowered frontline employees have higher levels of job satisfaction. A similar conclusion has also been made by Lee (2001). It is often the case that when one is satisfied with the current condition of one's job, he or she may have lower intentions to leave the organization. Accordingly, the following hypotheses were proposed:

Hypothesis 2: Empowerment is positively associated with frontline employees' job satisfaction.

Hypothesis 3: Empowerment is negatively associated with frontline employees' turnover intentions.

Training and Service Recovery Performance

Customers evaluate service recovery in terms of the outcomes they receive and the nature of the interpersonal treatment they receive during the recovery process (Smith *et al.*, 1999; McCollough *et al.*, 2000). Consequently, frontline employees need to have the interpersonal skills needed to perform the service recovery well. When customers have spared their time and put efforts to complain, they usually have high expectations. They would expect to be heard, to be compensated, and to be treated in a professional and nice manner. However, research done by Bitner *et al.* (1990) revealed that almost 50 percent of unsatisfactory service encounters are the result of the employees' inability to respond to service failures. The inability to respond appropriately to the failures may be due to lack of skills. Employees who lack interpersonal or behavioural skills in dealing with complaining customers would need suitable training.

Magnini & Ford (2004) claimed that service recovery training has been shown to be effective towards employees' service performance and it is one of the strategic necessities for guest retention and hotel profitability. Research suggests that training of frontline employees both in job-

related and behavioural skills to improve their capability to deal with customer needs is critical for delivering superior service quality (Hart *et al.*, 1990; Bettencourt & Gwinner, 1996). In other studies, it is reported that employees who lack the necessary job and interpersonal skills fail in providing a high level of service when dealing with customers' complaints (Lewis & Gabrielson, 1998; Yavas, 1998; Boshoff & Allen, 2000; Yavas *et al.*, 2003; Ashill *et al.*, 2005).

Many hoteliers now utilize service recovery training programmes (Brown, 2000), since it is crucial for the frontline staff to be fully equipped with essential skills and information to effectively deal with hotel guests. Nowadays, guests are more sophisticated and demand high service quality from the service provider. In fact, guests are more ready in voicing out their frustrations or dissatisfactions of the services they have received (Ashill *et al.*, 2005). Guests could simply defect to other competing provider if the frontline hotel staff is not able to handle their complaints in an effective and acceptable manner. From the discussion above, the following hypothesis was put forward:

Hypothesis 4: Training is positively associated with frontline employees' service recovery performance.

Training, Job Satisfaction and Turnover Intentions

Human relation skills are one of the essential skills needed by frontline employees (Benoy, 1996; Johnson, 1996). Training plays a pivotal role in gaining these skills. Service providers who acquire more training opportunities are more likely to show higher levels of job satisfaction (Lee *et al.*, 1999). Harel & Tzafirir (1999) postulated that training not only improves skills and abilities crucial to employees' roles, job tasks and development, but it also increases employees' satisfaction with their jobs and workplace. Furthermore, it has been found that training affects organizational commitment, participant knowledge, and self-esteem (McEvoy, 1997). It is therefore reasonable to

expect that employees having sufficient training in their scope of work will be more committed to the organization, having attained a more positive attitude, and hence, removing any feelings or intentions of leaving the organization. In view of the above discussion, the following hypotheses were proposed:

Hypothesis 5: Training is positively associated with frontline employees' job satisfaction.

Hypothesis 6: Training is negatively associated with frontline employees' turnover intentions.

Reward and Service Recovery Performance

To instil service excellence, employees must get the message that providing quality service holds the key for them being rewarded (Lovelock *et al.*, 2005). Effective service recovery performance often goes unnoticed when employee rewards are being considered. Considerations for rewards are given mainly based on the years of service and the overall achievement assessment. Thus, to appreciate and motivate the employees, it is only fair to also reward them for handling customer complaints (Bowen & Johnston, 1999; Yavas *et al.*, 2003) for the sake of the organization's continuous success. In other words, by having an appropriate reward policy that covers all aspects of employees' work, it could be ensured that they would be motivated to deal with complaining customers, while delivering high quality services at the same time.

The empirical findings by Boshoff & Allen (2000) showed that rewarding frontline staff for service excellence exerted a positive influence on their service recovery performance. However, it is generally known that frontline employees are overworked but underpaid (Karatepe & Sokmen, 2006). This is particularly strange considering the fact that employees do play a part in generating profits for an organization, that is, by delivering quality services to satisfy its customers. Consequently, they will create more businesses with the satisfied customers and

reduce the number of customers they may lose. It should be reminded that an organization's reward structure must not only focus on reducing customers' complaints but also emphasize on giving employees positive reinforcement for handling complaints and problems, as well as for pleasing the customers (Hart *et al.*, 1990). If the hotel management does not reward service recovery efforts, frontline hotel staff will not spend much effort in dealing with their guests' complaints or any service failures that occurs. In view of this, the next hypothesis was considered:

Hypothesis 7: Reward is positively associated with frontline employees' service recovery performance.

Reward, Job Satisfaction and Turnover Intentions

Rewarding and recognizing excellent services highly influence service providers' job satisfaction (Johnson, 1996). Similarly, employees who are rewarded for performing excellent jobs are more likely to possess high levels of job satisfaction (MacKenzie *et al.*, 1998; Lee *et al.*, 1999). It is the nature of almost all employees in any workplace to expect some kind of rewards for the good job they have done. When performing a good job is rewarded appropriately, only then will an employee feel satisfied and have the motivation to continue with the high level performance. Then, this also mean that rewards associated with excellence increases employees' productivity and reduces absenteeism (Kaufman, 1992). In the same vein, Gomez-Mejia & Wellbourne (1988) stated that an advanced reward system could be a potential source of retaining excellent employees. This may suggest rewards to be based not only on a fixed aspect of performance indicators, but also to look at other work aspects as well.

In addition, Hausknecht *et al.* (2009) in their recent study revealed that job satisfaction and extrinsic rewards were among two of the most frequently mentioned reasons for employees to stay in an organization. This gives insights to the management that it is important to focus

on these features in order to retain their valued employees. Based on the above discussions, the following hypotheses were postulated:

Hypothesis 8: Reward is positively associated with frontline employees' job satisfaction.

Hypothesis 9: Reward is negatively associated with frontline employees' turnover intentions.

Service Recovery Performance and Job Satisfaction

The relationship between job performance and job satisfaction has been frequently researched in several disciplines, be it in marketing, management, or psychology. Brown & Peterson (1993) have proposed a positive relationship between performance and job satisfaction in their meta-analytic study. Babin & Boles (1998) similarly found that food servers performing effectively in the workplace reported higher satisfaction with their jobs. It is also reported that job performance has a significant positive impact on employees' job satisfaction as in the work of Babakus *et al.* (1999). In the same vein, sales people's job satisfaction also resulted from high levels of performance, as was evident in the study of Netemeyer *et al.* (2004). The effect of job performance on job satisfaction was positively significant in the recent study of Karatepe *et al.* (2007). In addition, Karatepe & Sokmen (2006) also found the two constructs to be positively correlated.

Likewise, it is important to note that recent empirical studies also specifically indicate that effective service recovery performance has a significant positive association with job satisfaction. For example, Boshoff & Allen (2000) as well as Yavas *et al.* (2003) found that effective service recovery performance by frontline employees in the banking sector exerted a significant positive effect on their job satisfaction. Findings of some previous research strongly show that high performing employees report high levels of job satisfaction

and this could be the same in the case of frontline hotel employees. In line with all the previous and recent empirical findings, the following hypothesis was proposed:

Hypothesis 10: Frontline employees' effective service recovery performance is positively associated with their job satisfaction.

Job Satisfaction and Turnover Intentions

High turnover rate is an important issue in the tourism and hospitality industry (Lam *et al.*, 2002), deserving the attention to be researched further. Low job satisfaction may be a possible factor which leads to intentions to resign and consequently to high turnover among employees. There are substantial empirical studies to support the relationship between job satisfaction and turnover intentions. For example, Tett & Meyer (1993) found that job satisfaction had a significant negative relationship with turnover intentions in their meta-analytic study. Furthermore, Moncrief *et al.* (1997) reported that salesperson's job satisfaction was negatively related to their tendency to leave.

In addition, Babin & Boles (1998) found evidence in the restaurant industry that low levels of job satisfaction among frontline employees' resulted in their intention to leave the organization they work for. Similarly, Babakus *et al.* (1999) showed that lower levels of job satisfaction among salesperson would increase their intentions to leave the sales force. Karatepe *et al.* (2007) also found the relationship between job satisfaction and employee's turnover intentions both significant and negative. Since turnover intentions are immediate precursors of actual turnover, which is a critical problem in the hotel industry, it therefore is crucial to further understand whether there is indeed a strong effect of job satisfaction on employees' intentions to leave the hotel organization. Therefore, the following hypothesis was formulated:

Hypothesis 11: Frontline employees' job satisfaction is negatively associated with their turnover intentions.

METHODOLOGY

A questionnaire survey was employed to solicit responses on the frontline employees' perceptions toward their hotel's empowerment practices, training, and reward system. The ways the hotels conduct such practices were posed to have effects on their service recovery performance, job satisfaction and turnover intentions. A 7-point scoring format ranging from "strongly disagree" to "strongly agree" was used to measure all the constructs. Empowerment was operationalised using four items from Yavas *et al.* (2003) and three from Spreitzer (1995). An example is, "I have freedom in determining how to solve guest problems". Training consists of five items, while rewards with seven items, both adapted from Ashill *et al.* (2005). "Staff in this hotel receives ongoing training to provide good service" is an example of one of the five items under training, while "I am rewarded for satisfying complaining guests" is one of the items measuring the reward construct. Service recovery performance and job satisfaction was operationalised using five and four items, respectively, from Boshoff & Allen (2000). An example of the item measuring service recovery performance is, "No guest I deal with leaves with problems unresolved", while example of an item measuring job satisfaction is, "I am satisfied with my working conditions". Finally, for the construct of turnover intentions, four items were drawn from Karatepe & Sokmen's (2006) study, whereby one of the items is "I often think about resigning". All of the adapted questionnaire items achieved the Cronbach's alpha value of 0.70 and above in their respective studies. The survey instrument was first tested with a pilot sample of 66 frontline hotel employees before the actual survey was administered. Minor changes were made to the instrument as a result of this pilot test.

Stage sampling (Cohen *et al.*, 2000) was adopted by firstly selecting only 3-, 4- and 5-star hotels located in Klang Valley from the list of hotels provided by Malaysia's Accommodation Directory. The star rating symbolizes a universally accepted standard of high service quality in Malaysia. Then, from the 15 hotels agreeing to participate in the study, the next stage was collecting data from selected customer contact employees as the sampling frame, namely the front office, food and beverage, housekeeping, spa, gymnasium and public areas. Frontline employees in those departments have boundary-spanning roles, and spent most of their times dealing directly with guest's requests and complaints. Furthermore, within those departments, the hotel representatives in charge of distributing the survey were asked to randomly select the required number of respondents. This sampling technique ensures that the sample or respondents are indeed the right individual to provide the relevant data needed.

A total of 258 out of 502 questionnaires distributed to participating hotels were returned, representing 51.4 percent of the response rate. However, due to incomplete answers, 2 sets of the questionnaires were removed, providing a final sample of 256 usable questionnaires. The response rate was considered quite high, considering the difficulty of getting hotels and their employees to participate in such studies. Data from the final number of responses were subjected to correlation analysis using the Spearman Product-moment Correlation statistic. This statistical analysis is considered as the best as it is aligned with the study's objective, i.e. to test whether or not the hypotheses are accepted. Nonetheless, the study did not consider multiple regression as it did not intend to make predictions or test the significance of the research model as a whole.

The demographic characteristics of the samples indicated that 134 respondents were males (52.3 percent) and 121 were females (47.3 percent). As for the departments, front office was 50 (19.5 percent), food and beverage 74 (28.9 percent), while housekeeping was

72 (28.1 percent). The employees from other departments, such as spa, gymnasium and public areas, accounted for more than half of the respondents (23.1 percent). When asked about the respondents' past experiences in the hotel industry, 142 (55.5 percent) stated they had had experiences working in a hotel environment, while 112 (43.8 percent) indicated no relevant experiences in the field. Table 1 demonstrates the characteristics of the respondents.

TABLE 1
Demographic profile of hotel employees
(N=256)

Profile	Frequency	Percent
Gender		
Male	134	52.3
Female	122	47.7
Total	256	100
Age		
<20	7	2.7
20-24	71	27.7
25-34	109	42.6
35-44	44	17.2
>45	25	9.8
Total	256	100
Ethnic group		
Malay	180	70.3
Chinese	31	12.1
Indian	34	13.3
Others	11	4.3
Total	256	100
Department		
Front office	50	19.5
Food and beverage	74	28.9
Housekeeping	72	28.1
Others	59	23.1
Missing	1	0.4
Total	256	100
Experience		
Yes	142	55.5
No	112	43.8
Missing	2	0.8
Total	256	100

RESULTS AND DISCUSSIONS

Reliability Assessment

The reliability test was used to purify the measurement scale for each construct. All the six variables achieved the co-efficient alphas above 0.7, which concurred with Nunnally's (1978) minimum suggested level, as shown in Table 2. As such, no items were deleted.

TABLE 2
Alpha coefficient of reliability on variables

Variables	Number of items	Cronbach's Alpha
Service recovery performance	5	0.798
Reward	7	0.900
Training	5	0.913
Empowerment	7	0.849
Job satisfaction	4	0.857
Turnover intentions	4	0.887

Correlation Results

Spearman product-moment correlation was employed to test all the hypotheses in this study and to determine the organizational variable which is significantly associated with the outcomes of the study. Correlation is often used to explore the relationship among a group of variables (Pallant, 2005), which is the case in this study. In light of the correlation results, ten out of eleven hypotheses are accepted. The results

indicate that the formulated hypotheses are significant and hold good. In particular, H1 to H3 addressed the relationships expected between empowerment and frontline employees' service recovery performance, job satisfaction, and turnover intentions, respectively. Meanwhile, the results from the correlation analysis portray a significant positive relationship for all three hypotheses. H4 to H6 speculated the association between training and the three outcomes. The correlation results in Table 3 demonstrate that training has a significant positive influence on service recovery performance as well as on both of the psychological outcomes, and thus supporting H4, H5, and H6.

H7 to H9 were dedicated to test the impact of reward on the frontline employees' psychological and behavioural outcomes. Nonetheless, there is no empirical support for the link between reward and turnover intentions, and therefore, H9 is rejected. The empirical evidence was found to support H7 and H8 in light of the significant and positive results between reward and service recovery performance, as well as reward and job satisfaction. Furthermore, it was hypothesized that service recovery performance would positively be associated with job satisfaction. The correlation results produce positive and significant findings which provide support for H10. Finally, H11 suggested that job satisfaction would have a negative impact on turnover intentions. H11 was also accepted in light of the negative and significant result, as shown in Table 3 below.

TABLE 3
Results of correlation

Construct	1	2	3	4	5	6
TotalSRP	1					
TotalReward	.203**	1				
TotalTraining	.252**	.466**	1			
TotalEmpower	.515**	.240**	.177**	1		
TotalJSat	.286**	.596**	.346**	.254**	1	
TotalTurnover	-.043	-.106	-.150*	.142*	-.200**	1

** . Correlation is significant at 0.01 level (2-tailed).

* . Correlation is significant at 0.05 level (2-tailed).

To further assist in an easier understanding and interpretation of the findings, Table 4 presents a summary of the results based on the hypotheses testing, which include Cohen's (1988) suggestion in determining the strength of relationship, whereby .10 to .29 is considered weak, .30 to .49 is considered moderate, and .50 to 1.00 is considered strong.

Discussions

This paper aims to contribute empirically to the current understanding of organizational characteristics and their relation with employees' behavioural and psychological outcomes. There are many variables which are related to service recovery performance, job satisfaction, and turnover intentions. However, the present study only focused on investigating the effects

TABLE 4
Summary of hypotheses testing

Hypotheses	Coefficient value R	p-value	Supported/ Not supported	Strength of relationship
H1: Empowerment is positively associated with frontline employees' service recovery performance.	.515	0.01	Supported	Strong
H2: Empowerment is positively associated with frontline employees' job satisfaction.	.254	0.01	Supported	Weak
H3: Empowerment is negatively associated with frontline employees' turnover intentions.	.142	0.024	Supported	Weak
H4: Training is positively associated with frontline employees' service recovery performance.	.252	0.01	Supported	Weak
H5: Training is positively associated with frontline employees' job satisfaction.	.346	0.01	Supported	Moderate
H6: Training is negatively associated with frontline employees' turnover intentions.	-.150	0.017	Supported	Weak
H7: Reward is positively associated with frontline employees' service recovery performance.	.203	0.01	Supported	Weak
H8: Reward is positively associated with frontline employees' job satisfaction.	.596	0.01	Supported	Strong
H9: Reward is negatively associated with frontline employees' turnover intentions.	-.106	0.092	Not supported	_
H10: Frontline employees' effective service recovery performance is positively associated with their job satisfaction.	.286	0.01	Supported	Weak
H11: Frontline employees' job satisfaction is negatively associated with their turnover intentions.	-.200	0.01	Supported	Weak

of empowerment, training, and reward on employees' behavioural (service recovery performance) and psychological (job satisfaction and turnover intentions) outcomes using a sample of frontline employees in three-, four-, and five-star hotels in Klang Valley, Malaysia. The results presented have implications for service managers. These centres need to understand how empowerment, training and reward can have an impact on employees' service recovery performance, job satisfaction, and turnover intentions.

Clearly, focus should be given to the impact that empowering frontline employees will have on their service recovery performance, as indicated by its strong relationship. In fact, the current study's result is in line with the previous findings (Chow *et al.*, 2006; Babakus *et al.*, 2003). Hoteliers should be aware that empowerment has a stronger impact on service recovery performance compared to the other two variables. Managerial actions should be taken in terms of its internal marketing efforts where empowerment is being emphasized in the workplace. Employee empowerment should be exercised so employees can provide quick and equitable responses to customers without having to go through long decision-making processes through supervisors or managers. Greater authority and flexibility given to employees in dealing with customers may enhance their service performance, particularly to their recovery efforts. At times, service recovery efforts fail simply because employees are not empowered (Bowen & Lawler, 1992). In addition, supportive work environments may be enhanced. For example, supervisors and managers need to show their recognition for the employees' extra effort in solving customers' complaints. It may often be the case that employees want to take the extra step needed to help customers and solve their problems, but they are actually afraid that actions taken without consulting their supervisors would cost them their jobs or gain disapproval from the management.

The strong and positive effects of reward on employees' job satisfaction need to be addressed as well. This result lends further support where it is in line with the previous findings by Lee *et al.* (1999). Indeed, it is the nature of almost all employees in any workplace to expect some kind of reward for the job or work they do. Once performing a job is followed with the expected and appropriate reward, only then will an employee feel satisfied and have the motivation to continue with the high level performance. Hotel managers should take note on this association so as to take suitable measures pertaining to rewards and benefits provided to the frontline employees. Reward may not only mean in monetary terms alone, such as salary increase or bonuses, but should also cover the non-monetary aspect as well. For example, praise or recognition from the management, respect from colleagues, and trust by immediate supervisors may be seen as parts of the aspects of reward to boost frontline employee's job satisfaction.

Besides the above recommendations, the hotel management should be committed towards providing appropriate training in handling customers' problems or complaints. Service training constitutes a form of explicit communication with employees which have a direct impact on the service behaviours of those employees (Lings *et al.*, 2008). Employees may display poor service behaviour if they do not have the skills to deliver high quality services. The study found substantial impact of training being associated with job satisfaction. It suggests that employees equipped with the needed skills will have higher job satisfaction. In fact, there is a link where training is also necessary for empowered employees to be effective (Babakus *et al.*, 2003). Among other things, it is important for service management to provide specific training for the employees to understand the service delivery systems of the organization, and manage the numerous interactions which customers experience during service encounter. Trainings which are

especially designed on how to handle customer problems and complaints are also critical for the employees to provide an effective service recovery performance. If frontline employees do not have the required training to perform a recovery after a service failure, the customers will then continue to be dissatisfied, and this may affect future relationships between customers and the organization.

As for the hypothesized relationship between reward and employees' turnover intentions, the empirical finding did not generate a significant result. The lack of significant negative correlation may be due to the country's current situation. In a period where Malaysia and the world is facing economic crisis and commodity prices are rising every year, coupled with the existence of high unemployment rate, many employees do not consider leaving their jobs regardless of the existence of rewards or not. It could be one of the reasons that contributed to the respondent's answer for the items under turnover intentions.

CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH DIRECTION

This paper has given its focus to selected organizational characteristics, namely; empowerment, training, and reward. These characteristics were hypothesized to have impact on employees' service recovery performance, their job satisfaction, and their turnover intentions, as illustrated in the research model. In other words, the association between organizational characteristics and its psychological and behavioural outcomes was looked into simultaneously. This paper hopes to lay the groundwork for future research on service recovery performance in particular, as well as overall service performance in general. It is important to highlight that customers nowadays have rising expectations, less tolerant, greater sense of importance as well as growing affluence. Thus, it is also hoped that this study will offer practical recommendations to managers on how to manage their customer-contact employees in their dealings and service

delivery to customers, which could be an important source of competitive advantage to the organization.

Just like other research, this paper is not without some limitations. Investigations into the anticipated relationships in the research framework have only been done within Malaysian hotel service environment, and thus, may raise questions of generalizability towards the hotel industry of other countries or different tourism industries. However, hotel organization is deemed to be suitable to test the model as the industry has become one of the most competitive industries among the service industries. Moreover, due to the highly intangible, perishable, inseparable, and highly variable nature of the service provided by the hotel industry, it therefore demands special attention because of the difficulty in meeting customers' needs and wants. Furthermore, the research has considered the frontline employee's perspective on the issues. The findings may be more interesting if hotel manager's perceived impacts of empowerment, training, and reward on their employees' behavioural and psychological outcomes are also considered. Finally, there is a need to explore other antecedents anticipated to be associated with customer-contact employees' behavioural and psychological outcomes. Variables like self-efficacy, supervisor support, and organizational commitment may be included in the model in future research.

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