LINKING EMPLOYEE EMPOWERMENT AND CUSTOMER PERCEPTIONS OF SERVICE QUALITY
Evidence from a Mexican medical retailing company

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Abstract

Purpose The aim of the study is to gain a holistic understanding of the reflection of employee empowerment practiced in the customer's perception of service quality in service encounters.

Research Method Exploratory research by using a single case study method.

Results Through the analysis of both primary and secondary data, it has been found that employee empowerment practice can be reflected in customer perception of service quality through improved service delivery provided by empowered frontline employees.

Research limitations This is a single case study, which is confined to the activities of one small company related to the health industry in Mexico. The choice of conducting the research only focusing on one company ignoring others can not open a true reflection of the entire problem.

Practical implications The results may be applicable for companies which in some extent have similar retailing and services activities.

Originality/value This research makes a contribution to the existing literature on employee empowerment by adding relevant qualitative data.

Keywords Employee empowerment, customer perception, service quality, service encounters, frontline employees, service interactions, service delivery, health industry, retailers, Mexico

Paper type Master thesis
1. Introduction
In order to survive and succeed in a contemporary business environment, where the competition is fierce, companies are forced to seek new ways of improving business operations to gain competitive advantage. Over the past few decades, organizations have more than ever been putting their employees and customers at the central point of their management practices. (Sirdeshmukh, Singh, & Sabol, 2002; Tsaur & Lin, 2004). Companies have started to acknowledge that they can gain competitive advantage and increase organizational effectiveness by making themselves more distinct with respect to delivery of flawless service quality and customer satisfaction. Service quality has also been recognized by many researchers as one of the most important features to develop in order to create and retain successful relationships between a customer and an organization. (Lehtinen & Lehtinen, 1991; Brown & Swartz, 1989; Grönroos, 1990, 1988, 1983).

More specifically, theoretical and empirical findings suggest that organizations rendering service quality usually have lower customer turnover, higher customer satisfaction and loyalty, which in turn generate higher profits (Jacobson & Aaker, 1987). Although many companies are realizing the significance of service quality and customer satisfaction, the ways to achieve these goals effectively are not always clear. Researchers proposed that "the proof of quality is in its flawless performance" (Parasuraman & Berry, 1991: 15), an approach which is similar to the notion of "zero defects" in manufacturing. The main idea of "zero defects" is that companies can increase income by eliminating the cost of failure and through increased customer satisfaction. For example, the most instant customer’s perception of service occurs in the service encounter or the "moment of truth" when the customer interacts with the employee representing the organization. In such service encounters, customers usually will find a lot of aspects to notice and evaluate. These aspects can include the salesmen behavior and performance or their competence and ability to render quality service. The perceived quality of given service is based on the customer’s evaluation of the service he/she has received. Customer satisfaction can often be determined by the perceived quality of such encounters (Czepiel, Solomon, & Surprenant, 1995).
The significance of employee’s experiences and performances in service encounters have been pointed out in a variety of studies and their crucial role for customer’s perception of a service is acknowledged by researches (Grönroos, 2006; Nielsen & Host, 2000; Parish, Berry, & Lam, 2008). It becomes evident that frontline employees have an important role to play in a firm’s business transactions, as long as they interact closely on a day-to-day basis with customers and represent "the face" of the company’s brand (Karatepe & Baddar, 2006; Karatepe & Uludag, 2007). Many times such interpersonal contacts constitute the service from the customer’s point of view and the way it has been served will likely play an important role in deciding whether to stay loyal to the company or to switch to another brand.

However, considerable attention should be drawn to the fact that the quality of service delivery is likely to be heterogeneous across service encounters, due to individual differences among customers and frontline service employees, as well as due to various situational factors. Due to such heterogeneity of services, frontline employees must be adaptive and flexible in responding to the needs of customers in each and every service encounter.

Empowerment of frontline employees in organizations is considered to be an effective strategy and particularly relevant for the delivery of heterogeneous services (Parasuraman, Zeithaml & Berry, 1988). From a service perspective, empowerment may be defined as a set of managerial practices aimed at providing employees with the necessary training, performance based rewards and enabling them to make decisions on their own concerning service delivery. It is considered as a way of enhancing adaptability of employee’s behavior with the objective to treat customers in ways that assure 100% satisfaction from the customer’s perspective. (Guzel, 2008).

1.1 Problem Discussion
Researchers (Conger & Kanungo, 1988) argued, that when a company gives employees more freedom over how their jobs are performed, their levels of self-efficacy increase since they decide the best way to perform a given task. Hence, employees who are empowered can be
more efficient while interacting with customers by delivering improved quality performance (Tari & Sabater, 2006).

Researchers (Forrester, 2000; Linden, Wayne and Sparrowe, 2000; Dewettinck, Singh and Buyens, 2003) have distinguished empowerment into two main perspectives: structural or organizational empowerment as well as psychological empowerment. The structural dimension of empowerment focuses on a set of managerial practices, created by management with the purpose of making employees more effective and efficient by increasing autonomy and responsibilities. The psychological dimension, on the other hand, constitutes "psychological state of a subordinate". This approach is displayed in four main cognitions: meaning, competence, self-determination and impact. Together these cognitions reflect an active work role and an individual’s sense of empowerment.

In spite of the fact that the importance of employee empowerment practices has been pointed out in extant literature (Spreitzer, 1995, 1996; Lashley, 1999; Menon, 2001), we have found that limited research has been paid to relationship between employee empowerment and customer’s perception of service quality (Geralis & Terziovski, 2003; Karatepe, Avci, & Arasli, 2004; Snipes et al., 2005). Moreover, most of previous studies have conceptualized empowerment from either structural or organizational perspective (Goodale et al., 1997; Snipes et al., 2005; Ueno, 2008). To the best of our knowledge, very little research has been paid to examine the relation between both dimensions of empowerment and customer perception of service quality. The second contribution of this study lies in the fact that previous studies on empowerment have been conducted in the context of pure service providers such as banks, restaurants, hotels and etc. (Hartline, Maxam & Mckee, 2000). Studies linking both dimensions of employee empowerment and customer perception of service quality have very little evidence of research in the context of retailing.

That is why we have come to the conclusion to conduct the study in the field of Mexican medical retailers. We believe this research will contribute to already existing studies on employee empowerment by providing additional empirical evidence to the field of retailing.
1.1.1 Choice of the industry and company

We have shown particular interest in retailers specializing in the sales of medical products on the Mexican market. After researching which retail sector to choose, the medical device/supplies industry greatly appealed to us. First, we have found that for the healthcare service providers, such as hospitals and clinics, literature suggests to introduce employee empowerment as an effective way for continuous service improvement (Koberg et al., 1999; Spreitzer, & Doneson, 2005; Ford, Bach, & Fottler, 1997). At the same time, companies specializing in the manufacturing and retailing of medical products are also striving to develop their services to be able to exceed customers’ expectations. Therefore, for companies involved in the distribution and retail of medical products, the question of how to improve and provide better services for customers is also extremely important.

We have been particularly interested in Mexican health market. The reason for choosing this particularly country is that Mexico is considered to be one of the major markets for health products and services across the Latin America region. For example, total spending in health market in Mexico reached an approximate amount of 70.24 billion USD in 2012. Moreover, according to the national chamber of Mexican medical industry, the potential of this market and increased competition have forced health product retailers to seek for continuous improvement and market development through enhancing customer service processes. (Canifaroma, 2013) It implies that companies related to this industry are utilizing various managerial practices to take quality of their services to a higher, more advanced level. Put the matter another way, enterprises focusing on enhancing their customer-related services are those who attract most of our attention to base the research on.

In such a way, we did a preliminary research whereby we were able to identify providers of medical products in Mexico suitable for the purpose of our thesis. The main target group was small to medium size companies who have been putting their employees and customers at the forefront of their managerial practices. To be able to find such companies we used databases from the Mexican ministry of economy, these included ProMexico information system and the Mexican business information system. By examining companies’ websites and contacting them by phone, we picked a number of firms that seemed to be suitable for conducting our research. We asked companies if they were willing to be researched on the
subject of employee empowerment. It is worth noting that all conversations were held in native language for a number of reasons. First, we pursued the aim to flow the conversations as freely as possible, and it could be only done by speaking in Spanish so as this is the corporate language of Mexican companies. It was possible since one of us is native of this country. Then, we were trying to kindle companies’ interest by highlighting the importance of such practice in the modern management style. There might have been some possibilities to lose some important aspects if conversations had been held in English. The major components of employee empowerment practice had been duly explained for the purpose of being sure that the managers completely understood the main targets of the research.

Subsequently, one Mexican company operating in the field of medical retailing industry greatly appealed to us. After continuous discussion with the General Manager of the company, we came to the conclusion, that all necessary conditions to carry out the research were broadly presented within the firm. In such a way, we realized that this company was implementing the sort of managerial practices that were in line with our research topic. The most remarkable about the company was that its management was constantly devoting extensive attention to high standards of its operations at all levels. The company was aimed to be sure that they were meeting the needs of customers and provided high quality of both products and services.

This is confirmed by the fact that the firm has been certified under the ISO 9000 standards that are designed to help organizations ensure that they fully respond to the needs of customers and other stakeholders. This company strives to develop its customer service through many factors and one of those tools is referred to the performance of company’s employees. This aspect in particular stood out from others since it is purely related to our research field. Besides, the company management made advances and kindly agreed to be interviewed several times despite some difficulties, such as different time zones. We also were allowed to collect relevant information which included questionnaires for employees and customers required to conduct the research. For all the above reasons this company was chosen to be studied in our research. As a requirement to perform the research, the company asked us not to use the real name of the company, instead the acronym ASTEMED-RYSE was chosen as the preferred name.
1.2 Purpose of the study
The purpose of this study is to examine the relationship between employee empowerment practiced by the chosen company and the customer’s perception of service quality. In order to achieve this goal, we must first determine to what extent the organization has been practicing the structural empowerment. Secondly, the psychological state of subordinates is to be defined and analyzed. It will allow portraying the entire picture of employee empowerment practiced in the company. Then, the customer perception of service quality will be defined and examined. Finally, all results will be presented and fully analyzed with the purpose of examining the relationship between employee empowerment and customer’s perception of service quality.

To conduct this study the research question is posed as follows:

*How is employee empowerment reflected in customer’s perception of service quality?*

Based on the research question, the aim of this study is to gain a better understanding of the relationship between employee empowerment and service quality perceived by customers. It will add to research by developing a deeper comprehension of the linkage between both dimensions of employee empowerment and customer’s perception of service quality.

2. Theory review

2.1 Employee empowerment

Empowerment encompasses many contexts and can be examined through various perspectives and dimensions. The main purpose is to make employees more effective and efficient by increasing autonomy and responsibilities. The notion of empowerment involves the workforce being provided with a greater degree of freedom for decision making relating to work. Moreover, employee empowerment activities like self-managed teams, total quality management and quality control circles are mainly established with the objective of enhancing employee productivity and innovations (Lawler, 1992).

Though empowerment has been widely practiced in the business world the notion and nature of empowerment has been expressed differently (Lee & Koh 2001; Spreitzer, 1996). Similarly Russ and Millam (1995) explained that the term is rarely defined clearly and one of
the possible reasons for this is the tendency for empowerment to be a part of management programs, for instance TQM. Furthermore, Rosental (1997) suggested that the concept of empowerment includes a variety of activities, from the term of “not real” empowerment to the highest level of empowerment practice.

The original meaning of empowerment has been viewed as to "authorize, give power to" (Tulloch, 1993). Conger and Kanungo (1988:4) proposed a definition of employee empowerment as “a process of enhancing feelings of self-efficacy among organizational members, through both identification of conditions that foster powerlessness and their subsequent removal by both formal organizational practices and informal techniques of proving efficacy information”. Quinn, Spreitzer, Kizilos and Nason (1997) emphasized that empowered employees take a part in the decision-making and problem-solving process with their managers.

Pursuant to Lashley (1999), the term of empowerment includes not only a range of managerial strategies, intentions and concerns, but also the state of employees’ feelings. Organizational researchers (Forrester, 2000; Linden, Wayne & Sparrowe, 2000; Dewettinck, Singh & Buyens, 2003) have separated empowerment into two major perspectives the structural and the psychological approach.

2.1.1 Organizational or structural dimensions

The structural approach of empowerment focuses on a number of organizational policies and managerial practices, created by the company for the purpose of giving employees greater freedom to make decisions on how they go about their job activities. That is, it refers to the notion of power sharing between employers and subordinates (Ahmad & Oranye, 2010; Biron & Bamberger, 2010).

A practical definition of empowerment has been proposed by Bowen and Lawler (1992). They proposed that employee empowerment appears when companies accomplish policies and practices aimed at sharing information with front-line employees, distributing knowledge as well as rewards across the company. According to Zemke and Schae (1989),

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1 Total Quality Management
employee empowerment means “turning the front-line loose and encouraging and rewarding employees to exercise initiative and imagination” (Zemke & Schaaf, 1989: 68).

Kanter (1993) is the first who argued about structural dimension of empowerment. She identified empowerment as a state in the organization that influence employee's work related behavior. Kanter (1993) also presented organizational practices and structures that share power within an organization, they are:

1) Empowerment activities should be included in job descriptions, for instance, allowances for frontline employees to make job-related decisions on their own, without contacting supervisors.

2) Information has to be easily available for employees. Employees should be aware of the company’s future goals as well as job-related tasks they are asked to perform.

3) Supporting employee job responsibility. Rewards, compensations are great tools to support and motivate employees to do their job.

4) Availability of resources required to perform a job. It may be referred to physical facilities of the company. An organization has to be sure, that it has all necessary physical facilities for the purpose of providing high quality service.

5) Supportive activities for enhancement of employee's knowledge and expertise.

Over time, organizations have to train and educate their employees in order to enhance their expertise and skills.

2.1.2 Psychological dimension
The psychological empowerment dimension tends to highlight employee’s perceptions on management practices (Peccei & Rosenthal, 2001). This approach puts much less emphasis on the delegation of decision making. Instead, most of the definitions fall into intrinsic motivation that creates discretion and self-efficacy (Patah, 2009). Throughout such
dimension, the main emphasis is upon perceptions and beliefs of power, competence control and self-efficacy (Psino & Smithson, 2002).

One of the most famous studies on psychological empowerment done by Spretizer (1995), consists of four dimensions describing the psychological state of the subordinate. Moreover, a very similar definition of empowerment was outlined by Lee and Koh (2001).

Both authors agreed on the following dimensions listed below:

1) Meaning. It refers to the significance of the work activities, according to personal beliefs and standards. Thomas and Velthouse (1990). The question of how job role matches to the beliefs and values of the individual is related to this dimension.

2) Competence. This dimension speaks about employee’s abilities to accomplish the job he/she is responsible for. It is also related to employee’s beliefs in his or her ability to work well. Gist (1987)

3) Self-Determination. It is an employee’s beliefs in his ability to take autonomous decisions regarding his/her job.

4) Impact. This dimension refers to the individual ability to impact strategic or operating outcome regarding his/her work (Ashforth, 1989). Also it is related to employees’ own beliefs that the organizational results can be impacted by them.

“Together these four cognitions reflect an active, rather than passive orientation to a work role. By active orientation is meant an orientation in which an individual wishes and feels able to shape his or her work role or context”. (Spreitzer 1995:1441)

The psychological approach of empowerment has criticized the situational approach for underestimating the psychological values of employee empowerment. Thus, Kay (2008) explained that the structural approach has nothing to do with defining the cognitive state of subordinates. However, both the organizational and psychological approaches are referred
to independence of employees in terms of their work activities. In order to successfully implement employee empowerment and achieve improved employee’s performance, both of the dimensions should be considered. For the target of this study, we mainly use the notion of empowerment given by Lee and Koh (2001: 686) that based their definition on both approaches and defined empowerment as "the psychological state of a subordinate perceiving four main dimensions of meaningfulness, competence, self-determination and impact, which is affected by empowering behavior of the supervisor".

2.1.3 Implications of employee empowerment

Previous management literature stated advantages of implementing employee empowerment for both customer and employee satisfactions. We would like to emphasize main advantages of empowerment which are most convenient for the purpose of this study.

For example Bowen and Lawler (1992) stated that empowered employees are more confident about their job and feel more enthusiastic about treating customers. It leads to quicker responses to customer’s needs and increased customer perception of service quality. It is important to say that this can have an effect on perceived service quality.

Empowered employees are likely to be much more adaptive during interaction with customers since empowerment practice accompanies increased employee flexibility (Scott & Bruce 1994).

Forrester (2000) argued that empowered employees are more focused, energetic and creative. Aryee and Chen (2006) pointed out, that empowerment of employees leads to cognitions of self-determination at work and empowered employees feel their work more meaningful. It can also improve engagement of task achievement. Additionally, empowered employees can be more efficient compared to non-empowered ones in terms of solving customer’s problem (Hancer & George 2003)

Also Grönroos (2001) pointed out, that empowerment practice gives employee's a feeling of belongingness and ownership which in turn decreases employee turnover. Moreover, empowered employees can be an important source of creating new ideas for customer
service improvement. Due to the direct contact with customers, these employees have better understanding of customer problems, needs and wishes. Thus, employees can easily share such information with management to facilitate improvements.

Additionally, Tari and Sabater (2006) have suggested that empowerment helps to improve employee's performance that leads to better service delivery. It is also in line with the “Cycle of success” model proposed by Schlesinger and Heskett (1991). They propose that employee empowerment leads to high quality of service delivery, increased customer satisfaction and eventually an increase in company’s revenue.

More precisely, Schlesinger and Heskett (1991, have seen that investment in employees’ ability to provide superior service to customers can be viewed as a virtuous cycle. Such factors as training employees, giving them authority to make own decisions, creating the corporate culture wherein they are empowered, can deliver enhanced employee satisfaction and competence. That in turn will likely result in superior service delivery and high level of customer perception of service quality. According to the authors, under proper implementation of the model, it will eventually create customer loyalty, increased sales and higher profit margins. In order to support another iteration of the cycle, some income may be reinvested again in employee development.

On the other hand, authors realized that employee empowerment can also create some disadvantages, which are listed below:

1. Not all employees within the company can be trained to perform in a business environment. Hence, the level of responsibility may remain limited to a specific group of employee’s.

2. Employees who have not acquired proper knowledge might make wrong decisions what in turn can increase company’s expenses.

3. Some employees may not be ready to be empowered, meaning that they may not have the ability to handle increased responsibility.
Despite the fact that employee empowerment has been described in many service literature as one of the most effective management practice for service organizations, as Yeh-Yun Lin (2001), points out the main step in transforming an organization is to empower employees to act on the organizational vision. At the same time it cannot guarantee success for all organizations and many factors of success will be depending on a certain organization’s context. Therefore, it becomes clear that employee empowerment is not a panacea for success and can have both positive and negative consequences for organizations which have been adapting it.

2.2 Service definition

A universal definition of service has not been created up to this day. The definition of service has a different connotation according to the context in which is used. Grönroos (1990), proposed to consider the definition of service, as the activity or series of activities which are roughly speaking of intangible nature. It usually happens (not necessarily) between the customer and service employee’s interactions, physical resources and goods or service provider systems; provided to customers in order to fulfill or solve customer problems and demands.

For the convenience of this research, authors have mainly followed the definition of service introduced by Kotler (1998: 515.), that is: “Service is an act or performance provided by one party to the other which fundamentally is not materialized and does not result in creating ownership over things. Its production is either connected to the physical product or not”. According to Kotler (1998), there are mainly five dimensions of services. These dimensions are different from one another depending on the nature of their tangibility.

1. Clearly physical product (e.g. computer mobiles, medical devices);

2. Physical product with collateral services, where the services are related to the materialized product (such as services connected to selling medical products and equipment e.g. maintenance warranty services);
3. Hybrid offer, where the offer is a mixture of the physical product and the services (such as restaurants);

4. Material service with minor collateral services and physical products (such as hotel service, containing the hotel service, physical products and other collateral services (catering, hotels);

5. Clearly service, such as consultancy, teaching and etc.

Figure 1. Author’s adaptation of tangibility spectrum for medical products retailers (Kotler, 1998).

According to the above diagram, there are companies offering only physical products (e.g. computers), meaning that their business operations are primarily dominated by tangible aspects whereas others such as consultancy firms, focusing only on intangible aspects. Additionally, there are companies, which base their operations on the combination of products and services, that is to say, organizations selling physical product with collateral services required to the purchased product.

The position of medical product retailing in this diagram would be classified under the section of physical product with collateral services, consisting of both tangible and intangible aspects. It means that a service comes together with a product not only at the time when the product is being purchased by a customer, but also in the process of scheduled maintenance of the purchase.
2.2.1 Service encounters

The interaction between the service firm and its customers can be described as: "a period of time when a buyer and a seller meet and engage in behaviors and activities" (Wong & Sohal, 2003, p. 249). One of the most important factors influencing customer perception of quality is the interaction between frontline employees and customers (Wong & Sohal, 2003). It has to be pointed out that face-to-face service encounters are different from other social interactions for a number of reasons; they take place for a specific reason, the service encounter has a specific focus, task-related information and the roles of participants are well defined (Czepiel, Solomon, Surprenant, & Gutman, 1985; Lewis & Entwistle, 1990).

The service encounter can be examined from different perspectives. One of these is the customer perspective. Mainly service quality related themes have been researched by using this perspective (Parasuraman, Zeithaml, & Berry, 1985; Hansen & Danaher, 1999; Boshoff, 2007; Mattila, Grandey, & Fisk, 2003). Also due attention was paid to the topic of service failure (Bebko, 2001) and recovery efforts (Bejou, Edvardsson & Rakowski, 1996; Bejou & Palmer, 1998). Another perspective involved in service encounter studies is the employee perspective. The importance of trust (Halliday, 2004) and deliverance of service quality (Nielsen & Host, 2000), have been explored by using employees’ perspective.

2.3 Customer perceived service quality

In order to define a customer’s perception of service quality, the concept of quality first needs to be defined. Originally quality was connected to tangible products and as supported by Crosby’s “zero defect” theory (Crosby, 1979). Later on this interpretation of quality was reconsidered, applying the concept of quality to all elements in creating product or service, rather than only one product (Juran, 1988). Feigenbaum (1991: 7) defined the quality of a product or a service as “The total composite product and service characteristics of marketing, engineering, manufacture, and maintenance through which the product and service in use will meet the expectations of the customer”. That means that one of the most important features of quality is the ability to meet customer expectations and demands. Freund (1985 : 50), proposed the definition of quality as “the characteristics of a product or service that bear on its ability to satisfy stated or implied needs” Therefore, it is important to
realize that capability to meet customer demands is a significant element of the concept of quality.

Customer perceived service quality is the perception of services experienced by customers, based on the different elements included in the entire service such as the service process itself as well as the outcome. According to Grönroos (2001:109), "quality is what customers perceive". Grönroos (1984) stated that a customer perception of service can be separated into two main dimensions.

1) The outcome dimension, which is related to what the process leads to for the customer as a result of the process.

2) The process dimension - how the service process functions.

In other words, the outcome dimension or technical quality as named by Grönroos (1984), leads to a direct result of a service. For instance, considering a company that is involved in the retail of medical products, an example of the outcome dimension could be: The situation where a customer visits the company in order to buy a specific product or equipment, in which the outcome is the product itself, providing customers with technical quality satisfaction.

However, the customer might be satisfied with the outcome but dissatisfied with the process or functional quality of service (Grönroos, 1984). For instance he/she may be dissatisfied because of incompetence of salesperson, slow service, long queue etc. On the other hand, if the process of the service fulfilled the customer’s expectation, he/she would not only be satisfied with the outcome but also with the service process.

Sureshchandar (2002), points out that many organizations are facing problems in identifying and understanding aspects determining high quality in service process from customer’s perspective and what actions should be taken so that to improve this process. Thus, it is also necessary to understand the human behavior and attitude which can affect the consequences of service interaction.
Van Looy (2003) is also of the similar view that customers are not one-dimensional in judgment, because a lot of other factors can affect service quality. Parasuraman, Zeithaml, and Berry (1988, 1991, 1993) proposed one of the most relevant lists of service quality dimensions. They also agreed that customer perception of service quality is a multidimensional judgment. They developed and introduced the SERVQUAL scale based on the gap model as an instrument for measuring customer’s perceptions of service quality.

SERVQUAL is a multi-item scale developed to evaluate customer perceptions of service quality in service and retail businesses. It is based on the view that the customers’ evaluation of service quality is paramount. Such customer’s assessment is conceptualized as a gap between his/her expectations prior to obtaining the service with their actual experience of the service. Originally Parasuraman et al (1985) identified 10 components of service quality.

1. Reliability
2. Responsiveness
3. Competence
4. Access
5. Courtesy
6. Communication
7. Credibility
8. Security
9. Empathy
10. Tangibles

In the year of 1988, Parasuraman, Zeithaml, and Berry reconsidered this model and these components were collapsed into five dimensions. These components are attitude based and aimed at measuring process of service delivery or the process dimension as stated by Grönroos (1984) rather than the service outcome. These five components have been widely used in different settings over the last decades. It was applied in both retail and service sectors, for example large retail chains, banking, restaurants and etc.(Carman, 1990; Cronin and Taylor, 1992; Bebok and Garg, 1995).
These dimensions are listed below:

1. **Tangibles**: This dimension includes the appearance of physical facilities and personnel. In other words, the customer evaluates the physical service areas of the company, as well as the tools, equipment and technology used to provide the service.

2. **Reliability**. According to Zeithaml (2006: 116), “it is the ability to perform the promised service dependably and accurately” This dimension refers to the customer’s evaluation of the consistency of service performance and dependability of the company. The ability of the company to perform correct service and deliver it promises is related to this dimension.

3. **Responsiveness**: It involves willingness, readiness and timeliness of service employees during the service encounter to assist the customer and provide services.

4. **Assurance**: This dimension relates the competence, courtesy of employees towards customers as well as their ability to inspire trust and confidence to the customers.

5. **Empathy**. This dimension relates to the quality of employee to give an individualized attention to a customer, giving them customized service and care.

Van Looy (2003) highlighted that the perception of service quality through the vision of the customer is formulated by a judgment of many encounters with a company. Pursuant to Zeithaml et al (2006:106), “customers perceive services in terms of quality of the service and how satisfied they are overall with their experiences.” Those encounters are broadly dependent upon front line employees who have interact with customers on an on-going basis. They more likely know better than someone else in a company how to take care of customers, understand them and solve customer-related problems.
2.4 Conceptual framework

The following conceptual framework has been proposed in order to disclose the principal characteristics involved in this research. It is designed to demonstrate the tasks to be accomplished in order to define possible relationships between the concept of empowerment and customers’ perception of service quality.

We aim to emphasize the importance of service definition and service encounters for this research. Service is a wide concept, which can come either alone or together with a product. Some firms concentrate only on services, such as consultancy, whereas others provide both services and products, for instance medical retailers. Service encounter is a theme that should not be underestimated by companies aiming at quality of service. The quality of interaction between employees and customers play one of the crucial roles in customers’ perception of service quality.

Our first step is to figure out the level of empowerment practiced in the organization. Empowerment of employees is a concept used to increase employee’s autonomy by giving them more space for own decision making regarding their job. There are two dimensions of empowerment, both of them are of great importance and complement each other. The organizational dimension refers to an organization that empowers its employees and creates conditions for empowerment climate. Through the usage of the system of rewards, training,
availability of resources, sharing of information and autonomy (Kanter 1993), an organization is able to practice a certain level of organizational empowerment. The second dimension is psychological state of employee's. It refers to employee's sense of empowerment. According to Spreitzer (1995) psychological empowerment is composed of four dimensions: meaning, competence, self-determination and impact. There are advantages as well as drawbacks of using employee empowerment. The company may benefit by having more enthusiastic and efficient employees. At the same time if employees are not ready to be empowered, the company can suffer a loss.

Once the level of both dimensions of empowerment is defined and analyzed, the next step will be to measure the perception that the customers have regarding the performance of employees. Customer perception of service quality is dependent upon different factors. It includes such elements as the outcome of the service, the process of the service as well as a customer’s comparison between expected and actual service performance. Employee’s behavior and attitude during service interactions can have influence on service quality perceived by customers. One of the models aimed at measuring customer perception of service quality is SERVQUAL, which includes five dimensions (tangibles, reliability, responsiveness, assurance, empathy). According to Kang & James (2004), SERVQUAL focuses more on service delivery process rather than on other service aspects, such as service’s outcome. Particularly these five dimensions are fully appropriate for our research. Each of these dimensions reflects at least 2 and more questions related to either psychological or structural dimensions of empowerment. Our target is not to use SERVQUAL model directly, since it’s based on the gap between his/her expectations prior to obtaining the service with their actual experience of the service. The main focus in our research is to use these dimensions for measuring employees’ performance during service encounters and then make a discussion between core concepts of this research.

We believe that following this conceptual framework will make possible to identify whether there is or not real relationship. The results would reflect the linkage between employee empowerment practiced by the company and customers’ perception of service quality.
3. Methodology

In this chapter we present the methodology used for gathering empirical data for this research. The qualitative method of semi-structural interviews as well as questionnaires has been selected and the explanation of the choice is introduced. The description of research, design and approach is presented.

3.1 Purpose of the research

Since the main purpose of this study is to examine the relationship between employee empowerment and the customer’s perception of service quality, we have decided to conduct an exploratory study. The aim of the thesis is to gain a clear insight into what is happening between the practice of employee empowerment and the perception of service quality experienced by customers. Robson (2002: 59) suggests, if research is aimed at finding out “what is happening; assess phenomena in a new light”, an exploratory study then is a suitable tool to conduct such research.

Additionally, a descriptive study was used as an extension of the exploratory research. Pursuant to the literature (Robson 2002:59), the descriptive study helps “to portray an accurate profile of persons, events or situation”. The usage of descriptive study can be of great help to complement an exploratory study, when researcher's target is to have an accurate and clear picture of the phenomenon for the purpose of complementing and supporting the entire research. Having applied both an exploratory and descriptive approach to this research, it enabled us to get a deeper insight into all areas of the subject to give discussion and analysis.

Saunders et al (2009), highlights that a case study allows researchers to use multiple sources of evidence. We have chosen to conduct a single case study by gathering primary information from one particular company within the health industry in Mexico and complementing it with the secondary data gained from previous studies, literature, relevant websites and the company’s website.
3.2 Sample
The target group of this research consists of the CEO, the General Manager and front line staff of the company, as well as the customers who directly buy medical products from the company’s store. The sample size for this research includes 52 participants, made up of the CEO, the General Manager, twenty employees and thirty customers.

The relevance of this target group is consisted by the following factors. The CEO has full control over the company and participates in all strategic decision making. It is vital for our study to gain the information about the company’s strategic issues from the primary source. The reason why we have chosen the General Manager is that he is responsible for the company’s operations and hence may bring in additional valuable data for our analysis. This allowed us to determine the extent to which management has been practicing the structural empowerment.

This company has 20 employees who interact with customers on a daily basis that is in line with our purpose. We have therefore decided to examine all 20 employees in an attempt to define the psychological state of front line subordinates.

Customer’s target group is represented by individuals who buy medical products or services from the company and thus, interacts with frontline employees. We did not know what the level of response from customers participating in the survey might be; however, we were successful in getting 30 customers to complete our survey.

3.3 Method of data collection
We have used both primary and secondary data for carrying out this research. The primary data was gained from interviews with the CEO and the General Manager as well as questionnaires completed by frontline employees and customers.

We considered it appropriate to conduct the semi-structured interviews firstly. The method of conducting the semi structured interviews was chosen in order to collect empirical findings from the CEO and the General Manager of the chosen company. This type of interviews enabled us to acquire data on employee's empowerment practiced by the
management of the company. Three interviews were held with the company, one with the CEO and two with the General Manager. We created a list of questions based on the main concepts related to the study (employee empowerment, customer perception of quality service and service encounters). The aim was not to guide the conversation strictly on those questions but rather to shape the conversation within the needed concept. Semi-structured interview helps to have more natural conversation allowing respondents more freedom to talk about what is important for them (Hesse-Biber & Leavy, 2010). It was of great significance for this research to let respondents speak freely, since they could bring in important information for the research which the authors may not have considered before.

Once we got an overview, it was important to use questionnaires as a complementary tool for gathering primary data on employee empowerment. Questionnaires were spread out to 20 frontline employees in order to determine whether there is a state of empowerment from subordinates’ perspective. This sequence for defining employee empowerment was purposely chosen in order to gain a better understanding of the phenomenon.

After defining employee empowerment practiced, we focused on customer’s perception of service quality. Questionnaires were sent out to 30 customers who had interacted with contact employees during encounters. Through the usage of questionnaires, we defined the perception of service quality experienced by customers involved in this research.

3.3.1 Interviews
We conducted semi-structured interviews with the CEO and the General Manager. It is important to mention that the CEO and the General Manager asked for their title roles to be used rather than their names. Due to the fact that this research took place in Sweden and the chosen company is located in Mexico, the interviews were conducted by phone using the Skype platform. In order to avoid omissions, authors decided to conduct the interviews in Spanish as it was the corporate language of the company. This was possible since one of the authors was fluent in Spanish. We were allowed to record the phone calls. The purpose for recording was to allow the conversation to flow more naturally without interrupting the interviewers. Second of all, this helped to develop a proper transcription of the answers and to translate them into English. This allowed both researchers to analyze the information.
Prior to the interviews, the concept of employee empowerment phenomenon was introduced to the respondents with the main purpose of providing a better understanding about the concept. Also, the respondents were given themes which were going to be discussed during the interviews. By doing so, we wanted to set the context to be followed in the interviews and to create respondents awareness about the topic and interests for this research. As it has been mentioned, three interviews were conducted. Two of them were conducted at initial settings of this research. At our request, the third interview was additionally conducted with the General Manager to gain more information and support the research.

The first one was held with the CEO on April 17th 2013 with an approximate length of 40 minutes. The semi-structured interview was prepared in order to get to know the CEO's role, the business background of the company and to understand how the company proceeded when dealing with customers through its employees. This was done by using open ended questions allowing us to maintain a naturally speaking interview aiming to get wide information about the subjects within the interview.

The CEO was asked to answer the following questions:

- What is your position and role in this organization?
- How many employees work within your organization?
- How many of your employees are involved in to face to face interaction within customers?
- Can you briefly describe the services you offer to your customers and who are your major clients?
- What is your understanding of employee empowerment?
- How is this concept practiced or implemented in your organization?
- Which tools do you use in order to empower employees?
- Do you perceive that your employees feel satisfied with its implementation within your organization?
- In your perspective when do the most critical service encounters happen in your company?
• What is your understanding of service quality?
• How do you assure the best service delivery to your customer?

The second interview was carried out with the General Manager of the company on April 29th 2013, the duration of this interview was 60 minutes approximately. The aim of this interview was to gain more detailed information regarding the previous interview with the CEO. This was done by following the next questions:

• How many of your employees are involved in to face to face interaction within customers?
• What is your understanding of employee empowerment?
• How is this concept applied or implemented in your organization?
• How do you empower employees?
• Do you perceive that your employees feel satisfied with its implementation within your organization?
• What is your understanding of service quality?
• How do you assure the best service delivery to your customer?

A third interview was performed with the General Manager on May 13th 2013 with an approximate duration of 40 minutes. The aim of this interview was to extend our knowledge about the company and its efforts in enhancing service performance.

The following questions were asked:
• Has the company faced difficulties with customers in service delivery?
• How has the company adapted its strategies to improve the overall performance?
• How important are employees for the company?
• Does the company benefit from the activities performed by employees?

It is important to say, as this is a semi-structured interview, the questions for both the CEO and the General Manager were developed and used to keep the interview in line with subjects that we wanted to cover. However, during the interviews other questions emerged
in order to clarify or extend the arguments of answered questions. The objective of this was to lead interviewees to formulate their answers and to make arguments about the topic freely.

3.3.2 Questionnaires

Questionnaires were defined by using closed questions in order to confirm the level of performance (employee’s psychological empowerment) or satisfaction (customer perception). By using scales of performance and satisfaction, we wanted to give objectivity to the questionnaires and thus get honest responses from both customers and employees. It means that the respondent could have a straight analysis of his/her response giving a specific value to each criterion measured. Thus, administrative staff of the company handed questionnaires to the sales department and biomedical department employees as well as to customers within the given period of time.

Employee’s questionnaire.

The target group for this research was 20 customer-contact employees. We based the questionnaire on the psychological state of empowerment proposed by Spreitzer (1992). This questionnaire aimed to measure the level of psychological empowerment felt by employees through four dimensions: Meaning, Competence, Self-determination and Impact. More specifically, it measures how empowered employees feel in relation to such dimensions.

According to Spreitzer (1995), definitions of the dimensions are as follows:

**Meaning** is the value of a work goal judged in terms of an individual’s own values or standards.

**Competence** is the individual’s belief in his or her capacity to perform the activities which is necessary for his or her work role.

**Self-determination** are employee’s own beliefs that he has control in performing his job and has a freedom to make decisions in various job-related situations.

**Impact** refers to employees’ sense of influencing events and control over company’s outcomes.
The questionnaire consisted of 20 questions, with each dimensional area been assigned 5 questions each (see questionnaire in Appendix A). The proposed questions dealt with specific criteria relating to the 4 dimensions of the psychological empowerment. Employees were asked to rate each of the 20 items on a 5 point Likert type (Strongly disagree, disagree, neither agree nor disagree, agree and strongly agree). It should be mentioned that questionnaires were formed in a way that did not require subordinates to write any information, but rather to cross the chosen answer. Thereby all employees answered anonymously.

To conduct the study we prepared a type scripted questionnaire sent by email to the human resources department of the company. The department handed out and then collected questionnaires from frontline employees during the period April 18th - May 2nd 2013. After receiving the results from the company, we compiled the data in an excel spreadsheet for data analysis.

*Customer’s questionnaires.*

The target group for this research consisted of 30 customers, all having direct contact with employee's in the company’s store. The questionnaire was based on the SERVQUAL model to measure the quality of service. This questionnaire aimed to measure the quality of service provided by an employee is based on five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. More specifically, it measures the difference between customer’s expectation of the service and their actual perception of the service they had received. The reason for choosing this model is that this study lies on customer-employee interaction in service encounters rather than the outcome of such encounters. According to Kang & James (2004), the SERVQUAL focuses more on service delivery process than on other service aspects, such as service’s outcome. We used the same structured questionnaire as used for employees.

The questionnaire consisted of 20 questions, with each dimensional area been assigned 4 questions each (see questionnaire in Appendix B). The proposed questions dealt with specific criteria relating to the 5 dimensions of service. Customers were anonymously asked
to rate each of 20 items on a 4 point Likert type scale ranging from 1 (extremely poor) to 4 (extremely satisfied)

To conduct the questionnaire we prepared a type scripted questionnaire sent by email to the human resources department of the company. The department handed out the questionnaire through administrative staff which was not involved in the direct interaction with the customers. Thus, the customers’ were picked at the company’s store during the period April 18th - May 2nd 2013 after the interaction with a frontline employee. In other words, customers were reached after they bought a product or acquired a service through a frontline employee. After receiving the results from the company, we compiled the data in an excel spreadsheet for data analysis.

The design of the questionnaire allowed us to examine the customer’s perceived experience. This was done by using the criteria of 5 dimensions to measure the level of employee’s performance. The data was analyzed in order to determine if the customer was satisfied or not due to the employee’s performance in the service interaction and to get the holistic perspective of how many customers were satisfied or not. This method allows us to obtain valuable information regarding the customer's perception on employee’s attitudes and competences when interacting in service encounters.

It has to be pointed out, that questionnaires were originally formed in English and then translated into Spanish. It allowed us to design the questionnaires and translate them into Spanish to make them more affordable for the research participants.

3.3.3 Secondary data
Secondary data consisted of existing information collected by researchers for different purposes. This data was taken from external sources such as documentation, archival records, magazines, internet, etc. We used articles, texts and academic journals written by researchers who had previously collected relevant information to support their writings, and have credibility in this discipline. We are convinced that the sources we have chosen are to a reasonable extent reliable: sources such as Google Scholar, Business Source Premier, Emerald and academic books of different authors. These sources have enabled us to observe
different views, some arguing for and against the materials in order for us to be unbiased in our research.

3.4 Limitations
The validity of the information gathered plays a significant role for this research. We kindly asked the company to provide a channel to reach each of the target groups. Questionnaires were distributed to customers and employees by the human resources department within the company. Questionnaires were originally formulated electronically and then forwarded to the company's human resources department. Once received, they distributed the questionnaire among employees and customers. The returned copies were scanned and emailed back to us for analyzing. We are aware of the fact that by delivering questionnaires in this way, the reliability of the answers could be affected by creating biases among employees. However, due to the difficulties in reaching customers and employees because of the geographical distances involved, this was the only solution we could use in order to conduct the study.

On the other hand, all the information regarding interviews and questionnaires prepared for the participants of this research was created in English and then translated into Spanish. As we mentioned before, one of the researchers was fluent in Spanish, it helped us to translate the information created. However, we are aware of the fact that due to the language fix on translation of information and answers from the interviews could be affected in terms of translation and loss of original meaning.

We are also aware that by using the email delivery of the questionnaire the answers can be affected or contaminated. The decision was taken in order to sort out the difficulties due to the geographical distance.

3.5 Generalization
In terms of generalization, this research can be limited since this is a single case study of a small size company. This means that the research methods used, do not allow statistical analysis to be used in a general context. According to Saunders et, al., (2009), a research with small sample is not appropriate for conducting statistical analysis. Hence, this
application is not possible within a general population. However, we argued that the results may be applicable for companies which in some extent have similar retailing and service activities.

3.6 Method criticism
The interviews were conducted through video call meetings with the interviewees; this is not the most favorable method due to the inconvenient that might be present during such meetings. In other words, by doing so, possible technical difficulties can contaminate the process of the interview, resulting in probable misunderstandings or doubts that cannot be easily clarified due to time or technology constraints.

This research method has been chosen to pick just one branch of employees within the organization to be researched; this is, on the one hand, reliable according to the needs of the research because it targets employees who really have direct interaction with customers. On the other hand, as the analysis is limited to a particular group of employees, different opinions from an outside perspective of the employee-customer interaction are neglected and some valuable information can be discarded.

We consider as one of our defects is the fact that we are not able to generalize our results in different organizational environments. The reason is that we conducted this research only analyzing one organization in Mexico. It can be also said that the results from the questionnaires of employees can be limited to their personal reality because all of them are individuals with their own thinking patterns and beliefs.

Considering the fact that the majority of information obtained in this research is originally in the Spanish language, there is the need to translate the information to the English language, hence there could be the chance that some information may be lost in translation. Another considerable aspect of this method is that, the questionnaires handed out to customers, only represent a limited view of customers’ perceptions on the service quality, due to the fact that the questionnaires were handed out in the company’s store. Meaning that, the number of customers’ participation is very limited so that their perceptions will not reflect the general view of all the customers of ASTEMED-RYSE. We are aware that by using
email delivery of the questionnaire the answers can be affected or contaminated. Also we are aware that the questionnaire could have been spread to desirable customers. However the decision was taken in order to sort out the difficulties due to the geographical distance.

Further critics to this method can appear considering that this is a qualitative study. For instance, for the purpose of this research the questionnaires were simplified and developed with the possibility of getting the best answers, so that it could be a lack of detailed answers to enrich this study.

Despite the fact of the above comments on the criticism of this method, we believe that following such a method we are able to obtain the necessary information and data supported by our theoretical background and validate our findings based on this study.

4. Empirical findings
In this chapter the authors present the empirical findings gained from the company. The authors aim is to provide general information about the company ASTEMED-RYSE, including the company’s history, its core activities, as well as other relevant data obtained from their website. This part is also aimed at presenting the results obtained from interviews held with senior management as well as questionnaires completed among employees and customers of the company.

4.1 Description of the company
History
ASTEMED-RYSE was found in 1991. Its core business is in providing the maintenance of medical equipment to the biomedical market in Mexico City. In 1999 the company started importing medical devices and components for its further expansion into the Mexican market.

In 2006, ASTEMED-RYSE decided to outsource the distribution of their products across Mexico. The company took an exclusive distributorship of 16 brands specializing in the
treatment of cardiopulmonary diseases\textsuperscript{2}. This consolidation of different brands enabled the company to become a significant player in the supply of cardio medical products in Mexico. It also helped the firm to create brand awareness across Mexico.

In 2008 the company was awarded the ISO 9001\textsuperscript{3} certification in quality management systems. The company now uses this certification in attracting new customers with their high standards and performances of their products and services.

Activities
The company’s main core activities are in the provision of maintaining and repairing medical equipment for individuals, hospitals and enterprises in Mexico. It also provides maintenance services for highly specialty equipment.

Along with providing the above services, the company is also involved in the retail of medical products in Mexico City. They specialize in providing products and material for the treatment of heart disease and surgery.

The company also provides a consultancy services for the implementation of new technologies within hospitals. This also involves providing training on new technologies to medical personnel.

Market position
According to the CEO of ASTEMED-RYSE, the company is positioned as the third main provider in the distributor of cardiopulmonary medical products and services. ASTEMED-RYSE is relatively a small size company employing fewer than 100 employees. With its location in Mexico City its customer base extends across Mexico and into some regions of Central America.

\textsuperscript{2} Cardiopulmonary disease is a medical condition in which the heart and lungs don’t function properly.

\textsuperscript{3} ISO 9001:2008 sets out the criteria for a quality management system and is the only standard in the family that can be certified. It can be used by any organization, large or small, regardless of its field of activity. The standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement.
Mission: To assist in the healing and recovery of the patients, providing medical products and services for the improvement of medical procedures with leading technology.

Vision: To be the leader in the promotion and commercialization of leading edge products and integrated services in cardiac surgery, interventional cardiology, vascular surgery, thoracic surgery and auto transfusion.

Objectives and values: The Company aims to provide the latest technology and leading edge services in the following specialties: cardiac surgery, interventional cardiology, vascular surgery, thoracic surgery and auto transfusion. As exclusive distributor of world renowned brands from leading companies in the industry, the company seeks to benefit health programs in which it participates through the marketing of products and integrated services. The operation of the company is based on three principles of value: Service, Quality and Confidence.

Organizational structure
The company has a functional organization structure which consists of a Sales department, Administration department and Services department. This type of structure works well for ASTEMED-RYSE as it is a relatively small size company. Each department is made up of employees with the acquired skill set to enable the department to run successfully.

According to the CEO, the organization is made up of (the) CEO and the General Manager. There are three departments operating under the General Manager.

(The) CEO is “the chief” of operations and has control over the entire company, he makes all the strategic decisions that affect company and is responsible for directing the future of the organization.

The General Manager reports to the CEO and works at operation level overseeing all three departments – Administration, Sales and Services.
Departments:
The company employs 30 employees operating in three departments.
Sales – 15 employees are assigned to the Sales department. Staff in this area work in product sales and Promotion

Administration- 10 employees are employed in various roles including finance, human resources and administration support duties. These employees usually do not have any direct contact with customers and do not participate in the process of service delivery

Services- 5 employees work in service delivery with responsibility for providing biomedical and clinical assistance to customers.

Figure 3. Organizational structure of ASTEMED-RYSE.

4.2 Interview results
We consider it very important that we include information obtained from the company’s CEO at our recent interview with him.

At the beginning of the interview the CEO outlined that ASTEMED-RYSE position in the market was not to compete with fellow rivals in terms of mass production but to focus their energies on providing a top class product in terms of quality and service delivery. The CEO emphasized that: “the ability to fulfill expectations of the customers and satisfy their needs has been of significant role for our company from the very beginning of its establishment”.

One of the main aspects to be successful and competitive lies in the company’s capability to attract and retain new and existing customers. In order to do so, ASTEMED-RYSE’s strategy is aimed at delivering high standard service to their customers. The CEO pointed out that the organization undertakes a wide range of activities to reduce customers dissatisfaction from the start to optimize the service delivery process, namely when the first interaction between the organization and a customer occurs. The CEO called these moments “critical service encounters.” He went on to explain that depending on the outcomes of such interactions, ASTEMED-RYSE’s will get an opportunity to build further relationships with their clients or else they may go to another competitor.

Another crucial point to be taken into account that was highlighted by the CEO is that this type of business is much different to your ordinary retailing business. The products sold by ASTEMED-RYSE’s are much specialized to treat or cure a patient who has a specific health issue. It is therefore vital that the product works as it is supposed to do. This is one of the facts that cannot be neglected while serving customers in service encounters.

It was specified by both the CEO and the General Manager that medical equipment products and services are marketed through the usage of two functional departments. These are the sales department and the biomedical services department. The staff involved in these departments is considered to be the frontline employees of the company as they deal directly with customers.

Staff working in the sales department must provide a high level of customer service. It is vital that they understand the needs of their customers. They need to offer an individualized customer service experience to each one. The General Manager emphasized at our recent interview the importance of their success in developing and building good customer relationships. “The company has been successfully building long term relationships with some clients through developing the company’s goodwill and customers’ patronage” (The General Manager).
Furthermore, employees who are responsible for biomedical services and clinical assistance have the similar approach to the customers. However, their goal is to attend and accomplish customers’ requirements by offering solutions through the maintenance, repairing and all the technical or clinical assistance related to the equipment sold or being used by customers. According to the general manager, the role of these employees should not be underestimated. The reason for this is that the majority of customers applying for maintenance services are clients who have already purchased some of the company’s products and service performance at this level is likely to play an important role in further customer retention.

It is worth mentioning, that the management pays particular attention to maintaining a proper physical appearance of the firm for providing good service; it consists of contemporary equipment, promotional brochures, invoices etc. Hence, frontline employees are provided with all the necessary tools to render good quality service. Moreover, the company is always looking for feedback on service offered. This shows the interest the company has on maintaining current customer service levels now and in the future. With such a high level of feedback been obtained from customers, the CEO highlighted that such an opportunity creates a greater understanding of customers’ needs and requirements among staff, through this direct contact.

In order to answer the research question, it was important to figure out the service delivery process in this organization. The service delivery process of ASTEMED-RYSE can be divided into three phases according to the nature of its business activities:

Presale phase.
According to the CEO, this is the most vital phase for attracting new customers and frontline employees can considerably influence outcomes of this interaction. Wither it’s a product query or a price query, the customer may purchase the product or they may return for a future sale. The task of the contact employees here is to present the value of the product or service on offer by the company, emphasizing the advantages the customer would gain with this product or service. In this phase it has to be acknowledged that all customers are
different. That implies that employee’s behavior cannot be standardized and it requires them to be flexible in their approach depending on situational factors.

The successful outcome of this stage is the ability to fulfill the customer’s expectations. Pursuant to the CEO, the company’s strategy here is neither to undersell the value of the product or service nor to overestimate it.

During sale phase
This phase commences when the customer’s expectations are reached and the decision to purchase a product or service is about to be made. Once it occurs, the main objective for employees is to bring more detailed information regarding the functionality and the usage of the product. The importance of this action was pointed out by both the CEO and the General Manager. The company’s mission is not only to sell products and services, but to take care of their customer’s health; this is the key factor in the company’s philosophy. Another crucial point that can have influence on the final customer decision is the price reduction factor. It is not a secret that customers become more interested in purchasing products if the company offers certain discounts or affordable prices. Customers who feel they made a good bargain, most likely will return more frequently when the company offers discounts and sales. This approach can help to expand the company’s customer base. The ASTEMED-RYSE company is not an exception and has resorted to this practice as well.

After sale phase
Once a purchase transaction has taken place the next phase is the after sale service offered. The CEO called this the “after sale stage”, where the company still put lots of effort in to render a personalized and quality after sale service. This service is provided by frontline employees of both departments. The company wants to make sure that the customers are satisfied with the product and service experience so that they will return.

The company provides an after sales service for equipment purchased from them as well as equipment purchase elsewhere. In the first instance, the company provides a warranty on all their products while in the second instance a maintenance and repair service is offered on all external products. The CEO stated this was not their core business but it opens
opportunities in building new relationships with customers which in turn can increase revenue.

It is obvious that service encounters are strongly correlated within the service delivery process. It becomes clear that the company has critical service encounters in every phase of the service delivery process, wherein the firm has the possibility to develop good impression or perception of the service delivered.

According to the information gained, employees involved in these encounters are not only responsible for offering a good service by offering adequate responses. They also to some extent have an opportunity to impact on customer’s perception of products of services offered. These encounters are extremely important for the company.

By following all stages of the service delivery process, the critical encounters for the company are:

1. Presale service encounter
2. During sale service encounter
3. Post sale service encounter

According to the General Manager, there has been a constant change in the company’s activities over the past few years. “The ability to perform better service is a key factor for our company to stay attractive for consumers and keep the relationship with them. At one point the company faced lots of difficulties in order to adapt itself to customers’ demand. One of the main problems was relatively low performance in the field of customers’ service”. The company’s aim was to boost service delivery up to a new level. This was done by implementing new organizational strategies. The second action the company took was to get through the certification of quality management (ISO 9001). Having analyzed the secondary data, authors found that in the year of 2008, the company was certified in ISO 9001:2008.

The author who conducted the interview asked the CEO to clarify a bit more on newly implemented strategies by pointing out the priority ranking of such strategies. The CEO
argued that the company has a certain policy aimed at enhancing employees effectiveness and hence the productivity of the company. First and foremost such strategies were created so that to improve the overall performance of the company by concentrating these at employee level. The company strives to make their employees inclined to do their job. The management of ASTEMED-RYSE believes that this strategy will enable the company to avoid high level of employee turnover as well as to create a sense of belonging for their employees that in turn empowers everyone to do their best.

The company provides clinical and practical training to their frontline employees enabling them to become experts in their areas with regards to the products and services offered. Thus, the aim pursued is to enhance the medical background needed as well as to increase employees’ competence in the product line. Pursuant to the arguments of the General Manager, the training programs are held periodically, in order to ensure employees with the most reliable knowledge of the products and services. This is due to the fact that the company deals with high tech equipment and products which are often being improved by manufacturers (software, design, functionality and etc.). This is the reason why employees’ knowledge needs to be updated regarding the improvements of all functions and characteristics of the products.

Apart from the training, the CEO emphasized that their employees are allowed in some degree to act freely in terms of job-related activities. More specifically, management believes that by expanding employee’s autonomy in decision making, they become more confident in their workplace. This creates a sense of belonging towards the company rather than simply subordinating feelings. Additionally the general manager outlined that all customers are different and the flexibility of employees' behavior to make on the spot decisions as well as prompt customer’s problem solving are the leading factors in the company's policy.

It should be noted that while the company offers some autonomy in decision making to their employees the company does not allow their employees to act absolutely independent with regards to decision making. The CEO pointed out that the goal here was to enable employees to make autonomous decisions within boundaries that had been set by the
company. “We want our employees to fulfill or even exceed customers’ expectations, however the company must not suffer losses out of these actions” (General manager).

The company’s policy in rewarding their employees has also become an important factor. Sometimes it’s called the “system of rewards”. This has been used to promote the abilities of employees to perform their work more efficiently. It is also important for the company to encourage employees to improve their skills and motivate them to do their best towards customer service. The way the company promotes this system is by using reward bonuses or incentives. Employee gets rewards (?) for each item sold, meaning that employees have incentives to sell products. There are also some bonuses which are given to employees at the end of the month. It is based on performance appraisal method. The company is then able to identify best employee performances.

According to the CEO, since the main company’s orientation is their customers, it is essential to encourage excellent employee behavior towards customers. Such policy has been already proved itself to be of great help in achieving these targets. The company has experienced a great improvement of their employee’s performance over the past few years. Pursuant to the CEO’s arguments, thanks to performance appraisals usage, the company is able to examine evidence regarding the continuous enhancement of performance in services through increased sales, customer satisfaction and patronage. All of these are key factors in influencing the overall productivity within the company.

4.3 Questionnaires results

4.3.1 Employees

Meaningfulness.

Table 1. Results chart of “Meaning dimension”

<table>
<thead>
<tr>
<th>Meaning</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My work is valuable for me</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>2. My work activities are personally meaningful to me</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>3. The decisions I make at work correspond with my standards and beliefs</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>4. I am responsible for the outcome of my work</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>5. The purpose of my work is related to my values and standards</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>
After analyzing data from questionnaires, the authors found that the job activities have a particular meaning for employees. It can be seen that the majority of employees agreed on the fact that the work is valuable for them as well as it fits to their individuals’ standards. Although it is worth noting, that some employees neither agree nor disagree on meaningfulness of their job activities at personal level.

Moreover, the majority of employees feel themselves responsible for their job performance. Summing up, the priority part of subordinates has a sense of meaningfulness towards their job. It means that the feelings, decisions and choices employees make correspond with their own values, beliefs and standards.

Competence.

Table 2. Results chart of “Competence dimension”

<table>
<thead>
<tr>
<th>Competence</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I have mastered skills necessary for my work</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>2. I am confident about my ability to do my job</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. My job is well within my level of abilities</td>
<td>0</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>4. I periodically get trained to improve my skills</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>5. I am self assured about my capabilities to perform at high standard</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>9</td>
<td>3</td>
</tr>
</tbody>
</table>

By looking at the results, it is viewed that all in all employees of ASTEMED-RYSE are confident about their skills to perform the job in a quality manner. To be more specific, the majority of employees agreed that they develop their skills and capabilities through gaining continuous training. On the other hand, 7 out of 20 subordinates indicated, that their job was sometimes beyond the skills they had. Overall, it can be seen that most of employees feel that they are competent to perform their work activities.

Self-determination.

Table 3. Results chart of “Self-determination dimension”

<table>
<thead>
<tr>
<th>Self Determination</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I have freedom in determining how to do my job</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>2. I have a great control over my job</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>3. I have an opportunity to use personal initiative in my work</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>4. I determine the way to improve in my job</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>5. I feel independent at my workplace</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>4</td>
</tr>
</tbody>
</table>
Most of ASTEMED-RYSE’ employees are of the view that they have a great control over their jobs. It is worth mentioning, that the subordinates believe that they are capable of improving their jobs by taking personal initiatives. As many employees as 14 concluded that they feel control and freedom over their job activities. However 8 employees stated that they are not able to determine ways to improve their job.

Only 4 out of 20 subordinates agreed that they have capability to determine the ways to enhance their job. To sum up, it seems that ASTEMED-RYSE’ employees are of the opinion that decision making in their job activities are under their control, meaning that they have personal feelings of freedom over their job. After looking through the results of this part, the authors found that subordinates of this company mostly agreed on the fact that they have a certain level of self-determination over their jobs.

Impact

Table 4. Results chart of “Impact dimension”

<table>
<thead>
<tr>
<th>Impact</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am capable of influencing on service delivery process</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>2. My opinion counts in organization decision-making</td>
<td>2</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>3. My influence on quality of service is large</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>4. My work contributes to the company’s overall goals and strategy</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>5. Decision I made is significant for the organization performance</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

By analyzing these results, it is shown that, in general company’s employees have the sense of contribution to the organization outcomes. ASTEMED-RYSE’ employees feel that they can influence the service delivery process and quality of service. It is important to highlight that employees believe that they are a part of the organization and provide a certain input to the company’s performance. However, as many as 14 subordinates tend to feel that their opinions in terms of company’s operations and strategies are not of great significance. 7 of employees believe they do not have much impact on quality of service. Nonetheless, the results on this part demonstrate that subordinates’ of this company feel to be capable of impacting on organizational performance.
4.3.2 Customers

Tangible dimension.

Table 5. Results chart of “Tangible dimension”

<table>
<thead>
<tr>
<th>Tangibles</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Company’s physical facilities are appropriate to provide a good service</td>
<td>0</td>
<td>0</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>2. Employee has modern equipment to offer the service</td>
<td>0</td>
<td>4</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>3. Employee appears professionally dressed</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>4. Materials associated with the service (promotional brochures, documents, invoices etc) are visually appealing</td>
<td>0</td>
<td>10</td>
<td>14</td>
<td>6</td>
</tr>
</tbody>
</table>

All 30 customers involved in this research perceive that the company’s physical facilities are appropriate. That means they are satisfied with the professional appearance the company has whilst offering its service. What is interesting to mention is that although the overall perception of this dimension is satisfactory from customer’s perspective, however 10 out of 30 customers feel the shortage of materials associated with the service. The result has shown, that 21 customers indicated that employees’ appearance is completely corresponding with professional environment. Summing up, it seems that the management takes the company’s physical appearance seriously and customers feel comfortable with that.

Reliability dimension.

Table 6. Results chart of “Reliability dimension”

<table>
<thead>
<tr>
<th>Reliability</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employee has the knowledge to answer your questions</td>
<td>0</td>
<td>8</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>2. Employee performs the promised service accurately</td>
<td>1</td>
<td>5</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>3. Employees gives the prompt service to you</td>
<td>6</td>
<td>8</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>4. From the first time employee is able to correctly perform the service</td>
<td>4</td>
<td>10</td>
<td>15</td>
<td>1</td>
</tr>
</tbody>
</table>

Regarding reliability dimension, the results show that there is high customers’ perception of reliability within company’s employees. That is to say, customers agree on the fact that employees are prepared to offer an adequate service regarding customers’ demands. It can be seen that most of the customers have a good perception regarding the knowledge and accurate performance of service whereas 14 customers do not feel a correct service delivery
at first moment of the service encounter. However, the most significant number of answers was chosen as satisfactory on all the questions within this chart.

Responsiveness dimension

Table 7. Results chart of “Responsiveness dimension”

<table>
<thead>
<tr>
<th>Responsiveness</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employees are never too busy to respond to your requests</td>
<td>6</td>
<td>8</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>2. Employee tells you exactly when your product or service will be delivered</td>
<td>4</td>
<td>13</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>3. When employee promises to do something by a certain time, he/she does so.</td>
<td>10</td>
<td>7</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>4. Employees is willing to assist you during the service encounter</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>15</td>
</tr>
</tbody>
</table>

The results have shown that the customers’ opinions on ASTEMED-RYSE employees’ responsiveness are divided. For instance, almost half of the answers from customers are related to the fact that the service provided by employees did not always correspond with promises they made. It mostly refers to the question of product delivery within promised time. On the other hand, customers perceived that employees are willing to consult them during the service encounter, that is, employees strive to provide appropriate responses to the requests they were asked for. If we summarize the results, it is seen that almost the half of the answers derived from customers for all questions regarding employees’ responsiveness were marked as extremely poor and poor while the other half of the customers’ answers on employees’ responsiveness were satisfactory and extremely satisfactory. As we mentioned, customers have totally different opinions on employees responsiveness.

Assurance dimension.

Table 8. Results chart of “Assurance dimension”

<table>
<thead>
<tr>
<th>Assurance</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employee gives you personal attention</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>2. The behavior of employee instills confidence in you</td>
<td>6</td>
<td>10</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>3. Employee provides you with the products or services you ask for</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>4. Employee try to avoid mistakes in your requests</td>
<td>7</td>
<td>5</td>
<td>8</td>
<td>12</td>
</tr>
</tbody>
</table>

As seen in the results, the biggest part of customers involved in the research have demonstrated extremely positive opinions on employees’ competence and knowledge to get
their work properly done. For example, all respondents were satisfied with the personal attention paid by employees. It implies, that ASTEMED-RYSE’ employees try to treat customers in such a manner that assures high level of service quality. At another point, customers noted that employees are not always able to provide customers with the products or services they were asked for. In conclusion, the assurance dimension has positively benefited the perception of the commitment of the company’s employees to ensure a reliable service delivery according to customers’ demands.

Empathy

Table 9. Results chart of “Empathy dimension”

<table>
<thead>
<tr>
<th>Empathy</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employee understands your needs</td>
<td>3</td>
<td>7</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>2. Employee is always willing to help you</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>3. Employee is consistently courteous to you</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>4. When you have a problem, employee shows a sincere interest in solving it</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>13</td>
</tr>
</tbody>
</table>

Results from customers’ questionnaires showed that customers perceived a certain level of empathy from employees. This derived from the fact of employee’s willingness to help and show a sincere interest in solving customer’s problems. However, some customers demonstrated dissatisfied opinion on employee courtesy to them. As seen in results, in general the company’s employees are skilled to be empathic to the needs of customers.

5. Analysis

The analysis part is divided into two sections. The first section is based on findings derived from the organizational level. The authors give a full discussion on current level of employee empowerment practiced by the chosen company. Both dimensions of employee empowerment are entirely examined and presented. The second sector of the analysis is aimed at examining possible relationship between the results of both dimensions of employee empowerment and customer perception of service quality.
5.1 Employee empowerment

5.1.1 Organisational Empowerment

It can be seen that the company’s goal is to be customer oriented. It is supported by the CEO saying “the ability to fulfill expectations of the customers and satisfy their needs has been of great significance for our company from the very beginning of its establishment”. It is in line with the Tsaur and Lin (2004) who argue, that employees as well as customers have become the central focus of actual management practices. It is not coincidence that the company takes action to achieve its goals. For example, the company has the policy that is devoted to improving employees’ performance.

This policy is designed to help employees of the company to accomplish their tasks better and it consists of 3 main directions that reward system, autonomy and training. According to the theory, companies that have these elements can be referred to ones practicing organizational empowerment (Kanter, 1993). Findings derived from interviews show that the company management pays a due attention to training of employees. “Employees get trained periodically since the company management wants to be sure that their subordinates are fully familiar with medical products and provide professional service” (ASTEMED-RYSE CEO, 41). Drawing a parallel with Kanter (1993) who argued that one of the tools to share power within an organization is to provide employees supportive activities aimed at improving their knowledge and expertise.

The CEO also mentioned that employees are given a certain level of freedom to make their own decision regarding job. “This is specifically created to make employees feel confident about their job-related tasks as well as to give them an opportunity to have flexible behavior while interacting with customers” (ASTEMED-RYSE CEO, 41). This is a part of organizational dimension of empowerment which is about sharing power between employers and employees (Ahmad & Oranye, 2010; Biron & Bamberger, 2010; Kanter, 1993).

Furthermore, the findings demonstrate that the company’s physical appearance is not neglected by the management. “The company management always cares to have a proper physical appearance including up-to-date equipment, promotional brochures, assessment lists and etc. All these factors are implemented with the purpose of being sure that
employees are given all necessary resources to accomplish their job well” (ASTEMED-RYSE CEO, 41). Kanter outlined, that the availability of resources is an important component of organizational empowerment. All necessary means, required to render high quality of service, should be provided to a company’s subordinates.

Kanter (1993) also emphasized, that supporting employee job responsibility is also an aspect that constitutes the organizational dimension of empowerment. It means that a company should stimulate employees’ behavior to execute their tasks more effectively and efficiently. This company in particular has the system of incentives designed to reward employees for each item sold. Also ASTEMED-RYSE’ employees receive bonuses for high level of productivity at the end of every month. “The company management pointed out that, it is vital to encourage the company’s employees to do their best towards customer service” (ASTEMED-RYSE CEO, 41).

According to Kanter (1993), availability of information is also one of the components of organizational empowerment. It refers to employees’ awareness about what they are asked for as well as their understanding of the company’s future goals. The company management outlined several times that the company’s goal is to be customer oriented and to provide high quality of medical products and services. Employees of the company are given direction to serve customers in a way that assures 100% fulfillment from customers’ viewpoint. However, we did not get any empirical evidence whether the management is sharing information regarding the company’s future objectives with its subordinates.

Based on the theory (Kanter 1993), there are five components that constitute the organizational empowerment. Our first target in the conceptual framework was to analyze these five elements so that to define the organizational empowerment within this company. All the above certainly indicate that there is organizational dimension of empowerment in this company. Training, sharing power, system of rewards and availability of resources are truly presented in the management style practiced by the company. Availability of information, on the other hand, is not clearly seen throughout the findings. In particular, employees’ awareness in terms of the company’s future goals is not evidence, but apparently company’s subordinates are fully familiar with tasks they are asked for.
Therefore, it is viewed that the company has been practicing organizational dimension of employee empowerment which is observable through the company’s policy.

5.1.2 Psychological Empowerment
Theory says (Spreitzer, 1995; Lee & Koh, 2001), that apart from the structural empowerment, it is also essential to define a psychological one that is directly correlated with employee’s mindset. Thus, it was important for us to figure out, whether employees of ASTEMED-RYSE feel themselves empowered. In order to do so, the four main dimensions of psychological empowerment must be analyzed. Having based questionnaires for employees on these dimensions, we have gained all the data for determining the psychological level of empowerment in the organization.

As it was mentioned already, psychological empowerment is manifested in four dimensions: meaning, competence, self-determination, and impact (Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990). In order to achieve psychological state of empowerment, all of these dimensions are vital. To support that, we based our conclusion on Spreitzer (1995) study, wherein it was revealed that four dimensions contributed to an individual’s sense of empowerment. These four cognitions (Spreitzer 1995) reflect active, rather than passive, orientation to work role.

It was found that employees’ own beliefs and standards in general fit to work activities they perform. According to Karasek (1981), individuals who see their jobs meaningful for them are likely to be more personally invested in their work. It becomes more interesting when it comes to the employees’ feelings in their own responsibilities towards their job. The majority of them feel responsible for the outcome of the job, and hence ASTEMED-RYSE’ subordinates feel comfortable and committed to his/her activities. The meaningfulness dimension is one of four conditions defining the psychological state of empowerment, and through the findings we have obtained, this condition was executed.

Furthermore, the employees of the company feel prepared to perform their job properly in response to the customer demands. That means that they have capabilities to perform their job activities. When a person is competent at his/her job, he/she feels confidence in abilities
to do the job well. Gist (1987) proposed that under the competence dimension of psychological empowerment, the beliefs of the employee are related to employee’s ability to work well. Therefore, when the employee feels competent, the company can get better results in terms of more accurate and prompt response to the customers’ needs. Based on the level of knowledge that an employee has to perform his or her job, he/she is capable of providing better guidance and consultancy for customers. Over and above, the experience of personal competence or the level of self-efficacy (Gist and Mitchell 1992) of ASTEMED-RYSE’ employees are considered to be positive. Consequently this dimension of psychological empowerment is a part of the company's working climate.

Self-determination is also the element that defines psychological state of empowerment. Self-determination may be defined as an employee’s own beliefs that he has control in performing his job and has freedom to make decisions in various job-related situations (Spreitzer 1995). Based on the findings, it is viewed that most of the ASTEMED-RYSE’ employees consider themselves as self-determined. They feel control and freedom over their jobs; they determine ways how to go about their work activities. It follows that, self-determination was also positively reflected by the employees.

The last dimension for defining psychological state of empowerment is the impact dimension. According to Ashforth (1989), “Impact” refers to employees’ sense of influencing events and control over company’s outcomes. It is important to say that, this dimension contributes to the engagement of organizational productivity. It is seen that in some degree ASTEMED-RYSE’ employees have feelings of being able to influence on and contribute to the company’ outcome. Employees have the opportunity to feel a certain level of control in terms of what company can get through their performance. The impact dimension makes a direct contribution to the performance domain within this psychological perspective (Spreitzer, 1995). In summary, this dimension is also seen in the ASTEMED-RYSE case.

Based upon our conceptual framework, the second target was to determine the psychological dimension of employee empowerment analyzing the five elements proposed by Spreitzer, (1995). The author highlighted that the absence of any single dimension will not eliminate but certainly reduce the whole level of psychological empowerment. As long as all
four dimensions have turned out to be positive from employees’ point of view, it can be concluded that there is a psychological state of empowerment in the ASTEMED-RYSE company.

5.2 Relationship between dimensions of employee empowerment and customer perceived service quality.
The questions for customers were formulated so that employees’ performance could become observable through the answers on those questions. In our questionnaire for customers we used such items as “Employee gives you personal attention”, “Employee has the knowledge to answer your questions”, “Employee try to avoid mistakes in your requests” and etc., which reflect the quality of employees’ performance during the process of the service interaction.

The questions for employees were also formed in a particular manner whereby we were able to define the psychological state of subordinates. Some examples of items included in questionnaires for employees are “I have freedom in determining how to do my job”, “I have mastered skills necessary for my work”, and “My influence on quality of service is large”. After carrying out a comparative study on the results obtained from both employees and customers, we emphasized the main factors that can make a contribution to answering the research question. In order to make it more visible for a reader, we have put all questionnaires’ together and inserted the results below.
Table 10. Results of customer’s questionnaire.

<table>
<thead>
<tr>
<th>Tangibles</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s physical facilities</td>
<td>0</td>
<td>0</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Employee has modern equipment to offer</td>
<td>0</td>
<td>4</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee appears professionally dressed</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Materials associated with the service</td>
<td>0</td>
<td>10</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>(promotional brochures, documents,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>invoices etc) are visually appealing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee has the knowledge to answer</td>
<td>0</td>
<td>8</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>your questions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee performs the promised service</td>
<td>1</td>
<td>5</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>accurately</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee gives the prompt service</td>
<td>3</td>
<td>8</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>to you</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From the first time employee is able to</td>
<td>4</td>
<td>10</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>correctly perform the service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are never too busy to</td>
<td>6</td>
<td>8</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>respond to your requests</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee talks you exactly when your</td>
<td>4</td>
<td>13</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>product/service will be delivered</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When employee promises to do something</td>
<td>10</td>
<td>7</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>by a certain time, he/she does so.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees is willing to assist you during</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>the service encounter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee gives you personal attention</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>Employee provides you with the products</td>
<td>6</td>
<td>10</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>or services you ask for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee try to avoid mistakes in your</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>requests</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee understands your needs</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Employee is always willing to help you</td>
<td>3</td>
<td>7</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Employee is consistently courteous to you</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>When you have a problem, employee shows</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>a sincere interest in solving it</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 11. Results of employee’s questionnaire.

<table>
<thead>
<tr>
<th>Results of Employee questionnaires</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>My work is valuable for me</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>My work activities are personally</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>meaningful to me</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The decisions I make at work correspond</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>with my standards and beliefs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am responsible for the outcome of my</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The purpose of my work is related to my</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>values and standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have mastered skills necessary for my</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am confident about my ability to do my</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My job is well within my level of</td>
<td>0</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>abilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I periodically get trained to improve my</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am self assured about my capabilities</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>to perform at high standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have freedom in determining how to</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>do my job</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a great control over my job</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>I have an opportunity to use personal</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>initiative in my work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I determine the way to improve my job</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>I feel independent at my workplace</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>I am capable of influencing on service</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>delivery process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My opinion counts in organization</td>
<td>2</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My influence on quality of service is</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>large</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My work contributes to the company’s</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>overall goals and strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision I made is significant for the</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>organization performance</td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
Company’s physical appearance (availability of resources)

The first component in questionnaire for customers was tangible aspect. Not without reason we put it first for evaluating. It was important to determine if ASTEMED-RYSE had all the physical facilities needed to provide their employees with all the necessary tools for rendering high quality of service. The results have shown that all customers evaluated the physical facilities of the company as appropriate to provide high quality of service. It is in line with the CEO mentioning that the management pays a considerable amount of attention to the company’s physical facilities. The company has a modern building; its employees look well dressed and professional. They are equipped with modern equipment to offer good customer service. All these aspects were clearly reflected in the customer’s answers. It seems that the management has considerably invested in the company both in terms of physical facilities as well as personnel. The company is constantly updating their building by reinvesting in furnishings and keeping it modern and in good condition. This greatly appeals to customers as they are not only there to purchase a product or service but also for a good experience. Customers are quite dissatisfied with only one factor that is the lack of materials associated with the service. Against the backdrop of an overall positive evaluation from its customer’s, the physical facilities are still a factor that may affect a customer’s perception of service quality.

The presentation of the company’s employees is also another important factor that cannot be neglected. Customers prefer to see staff been well presented in their duties i.e. nice uniform or smart dressing. This has been proven in our survey that frontline employees at this company present themselves well at work. For employees physical facilities are not less important. Indeed, it’s much more cozy and pleasant to have a nice modern workplace with modern equipment and all physical facilities required to feel comfortable and do a job well. Apparently, such working environment can lead the employees to the sense of meaningfulness towards the job. For example, by looking at meaning dimension it is viewed that the majority of ASTEMED-RYSE’ employees feel their work valuable. Therefore, availability of resources can create an additional motivation to accomplish job-related tasks in a more effective and efficient way.
Employee’s experience and expertise (Training)

It is interesting to analyze employees’ expertise by first examining the reliability dimension. The reliability dimension becomes an essential one in terms of service quality perceived by customers, due to the fact that this dimension tends to demonstrate employees’ performance enhancement. The reliability of the employees has not only an important impact on the performance of the employee himself but also into the work environment (Hogan, J., & Hogan, R, 1989). By looking at the first item of this dimension, it is seen that as many as 22 customers are satisfied and extremely satisfied with an employees’ expertise. It means that employees’ competence is high enough to meet or even exceed customers’ expectations. Where does the competence appear most? If employees are prompt in their delivery of service, able to explain professionally benefits and drawbacks of one or another product or service and eventually perform the service accurately. In this way customers likely will think that they are served by a well-skilled subordinate. In the research, it is viewed that most of the customers are confident in the employees’ competence. They are satisfied with employees’ accuracy to provide a service promised; employees’ responses to customers’ needs are prompt.

It becomes even more interesting to look at the last item of the reliability dimension. As many as half of the customers marked the service as poor or extremely poor in terms of employee’s ability to perform the service from the first time. At the same time, almost all of the customers agreed that the promised service is accurately performed by subordinates. It might be assumed, that during these service encounters, employees were suggesting to purchase more advanced products than that the customer had envisaged to purchase. First of all, it’s been pointed out by both the CEO and the General Manager, that the company’s mission is not only to sell products and services and make profit, it is also about taking care of their customer’s health, as this is a key factor in the company’s philosophy. It’s also known from the findings that the company provides clinical and practical training to their frontline employees with the aim of increasing their expertise and knowledge about its products and services. In the competence dimension, it is clearly seen that employees are confident in their duties as they feel they are equipped with the necessary skills to perform duties well. Therefore, employees feel more confident in recommending better alternative products to customers as they are confident in their abilities to select best products or services according
to customers’ needs. This can be also observed from other customers’ answers. For instance, customers highlighted that employees understand their needs and have sufficient knowledge to answer their questions promptly. Employees are confident in their roles as they have received sufficient training to assist customers. This is a vital factor for customers in choosing where to buy their next product.

The chosen company is not an ordinary retailing business and deals with high tech equipment and products. The willingness to assist in terms of products and services would not be positively reflected in the employees’ answers, unless frontline employees are experts in their chosen areas. According to Zeithaml, Parasuraman and Berry (1990) the willingness of service employees to deliver quality service has an impact on the resulting service quality. This is evident throughout the employees’ answers. They feel competent in terms of job related questions. Such factors as confidence of employees in their duties, competence, periodical training may eventually create a sense of belonging for employees that in turn empowers everyone to do their best. It has likely been reflected in customers’ perception of service. Indeed, customers will buy if they have confidence in the company and its employees and the above is evident throughout from the carried research.

Self-Determination (Autonomy)

Giving employees control on how to go about their work activities basically constitutes the core concept of employee empowerment. That is why particular attention has been paid to analyze this part. It has been proven from the empirical findings that the management shows a great interest in its staff, they have invested heavily in them and have them at the forefront in decision making regarding customer service. This makes a lot of sense, who else can understand and know customers’ needs better than frontline employees, who interacts with such customers on a daily basis? In this research, all staff that makes contact with customers has an input and says in decision making. The management has given its employees a great sense of belonging to the company and this is apparently reflected in the cognitive state of employees. Almost all of them agree that they have greater control over their jobs. They act in good will since empowered employees understand that they have greater input into the decision making process. Their levels of efficiency increase enormously since employees decide to perform a given task the best way.
In this research, many factors which indicate the reflection of employees’ self-determination in customers’ perception of service quality are found. For example, the most illustrative indicator of this is overlooked in the assurance dimension. It’s not a secret that most of the customers enjoy an individualized shopping experience towards them when they visit the company’s store. Employees, who paid individual attention to its customers participating in this research, had a positive reflection in the customers’ evaluation of service quality. It is in line with Scott and Bruce (1994) findings showing that empowered employees are likely to be more adaptive to customers’ needs. Individualized service to each customer is a sort of adaptation from our perspective. The theory (Bitner, 1990; Parasuraman et al., 1988;) says that in order to have more satisfied customers, employees must be empathic as much as possible towards customers.

However, the customized service and flexible behavior are not easy tasks as it appears at first instance. Firstly, all customers are individuals with their own individualized characteristics and behavior patterns. In providing individualized quality service employees have to be flexible and promptly adaptive in responding to the needs of different customers. This is not possible if the behavior of employees at work is standardized without possibility to make on the spot decisions. Of course, if the employee has a low level of self-efficacy, it would be a forlorn attempt. Customers like a personalized shopping experience as it has been tailored to suit their needs. All customers of this research are extremely satisfied or satisfied with the personal attention received by the employees. ASTEMED-RYSE’ employees themselves decide what decision is to be made in order to treat its customers in the best way possible. Employees’ self-determination that leads to increased self-efficacy in turn results in customers’ perception of service quality. However, there is also a reverse of the coin while giving employees’ authority to decision making process in terms of customer service.

Loyalty (system of rewards)

This is the last but not the least important part of the analysis. It has been proved by the empirical findings that the management pays a great deal of attention to make its employees enthusiastic to do their job well. The company treats employees well in terms of financial rewards and incentives. This can lead not only to burning desire to keep working at
this company (and hence decrease employee turnover), but also employees are committed
to treat customers in ways that assure 100% satisfying performance from the customer’s
perspective. In this research, employees’ motivation to treat customers well may be
observable in any dimension, but it can particularly be seen through the empathy dimension.
Employees would not show any interest and empathy to customers’ problems unless
employees are motivated and committed to do so. It’s a little cynical, yet if an employee
wants to receive monthly rewards or bonuses for target sales, they will always be willing and
courteous towards their customers.

6. Concluding discussion
How employee empowerment can be reflected in the customer perception of service? To
begin with, for the purpose of this research, the company that concentrates its main
management activities on customers and employees was purposely chosen. From the
empirics, it’s viewed that the chosen company used to have problems with customer service.
The company introduced new policy that consisted of three main components which are
training, autonomy and rewards system. Later on we figure out that the management
provides all necessary facilities to render quality service. The company management has
been putting lots of efforts to boost the company’s performance. We are more than certain,
that the company pays a great attention to each and every its business operations, including
proper selection of product line, optimizing expenses, its profitability, customer retention as
well as employees’ performance. Everything here is of great importance, however for the
aim of our study we particularly focused on the last point mentioned above.

As it is seen in our findings, the company’s policy was created to improve employees’
performance. We understand that only the implementation of such policy at the
organizational level does not guarantee actual improved performance unless the employees
themselves desire and then really start performing their job tasks better. Indeed, if a
company wants their employees to perform better however does not take any actions for
that, it is likely not going to work from our perspective. However, we are investigating a
totally different case, where the company has taken lots of steps to come to results. After
analyzing interviews and employees’ answers, we have drawn a few parallels, which might
be interesting to look at. As we mentioned, employees’ performance is dependent upon employees themselves, the company has many ways to push it up though.

What we could see in our case is that the company’s employees feel their work valuable and important for them. At the same time, the management mentioned that one of the goals is to make employees inclined to do their job. Monthly bonuses as well as incentives rewards are not bad tools to stimulate employees’ desire to work particularly at this company rather than elsewhere. Secondly, periodical training is likely able to enhance employees’ knowledge regarding job and hence their competence. What is more important is that the company management has been using upmost aspect of employee empowerment practice that is sharing power to its subordinates. Undoubtedly, the significance of giving certain autonomy is even clearer appeared when it comes to the frontline employees. In fact, interactions with customers often require making on the spot decisions and prompt problem solving, and frontline employees are those who are usually in the better position to know how to respond to problems that may arise during a service encounter.

Thus through the autonomy, employees consider themselves as having freedom to act and feel confident about their abilities to solve problems they may face within the job facet. That is to say, employees can do whatever is necessary (within this boundaries) to “take care of the customers” (Tschohl, 1997). The autonomy given to ASTEMED-RYSE’ employees could create an employee’s sense of self-determination. Such courtesy towards employees in our opinion could make employees think that they are not neglected on the part of the company. All these in turn could lead to employee’s feeling that he/she can impact on and contribute to the company’s performance. It cannot be clearly stated that all these points are straightly correlated to one another and cannot exist in case something is eliminated. However, the logical sequence of such points can also be observable.

It should be highlighted that we did not get evidence about additional organizational practice highlighted by Kanter (1993) that is also a component of organizational. That practice refers to employees’ awareness of the company’s future goals. However, we have our own assumption in this particular case. Even though we have not got empirical evidence, we believe that power distance between the management and employees of this company
ought to be not of high level because of the company’s size. It implies that the relationship between them can be closer comparing to larger companies and familiarization with the company’s future goals can be easily reachable. Thus, it can be said that ASTEMED-RYSE has been practicing the strategy that can be referred to the structural empowerment. The employees of the company seem to have not only abilities to perform good service but also they have a desire to do so.

Furthermore, the analysis has shown that all employees involved in this research have a sense of psychological empowerment. Based on the four dimensions of psychological empowerment proposed by Spreitzer (1995), we could examine that some employees’ answers were different from one another but the overall evaluation of psychological empowerment has been positively reflected by all the employees.

Although, our focus was not only to define employee empowerment but also to explore whether there is a reflection of empowerment in customers’ perception of service quality, therefore another analysis has been conducted on customer perspective. Having used the SERVQUAL model proposed by Zeithaml, Parasuraman, and Berry (1988), we looked into customers’ perception of service quality through the evaluation of five dimensions. It was relevant to carry out the customers’ perception analysis based on this particular model as long as this model mostly refers to assessment of employees’ performance during the process of the service encounter. It means that lots of questions included in this model are directly related to attitudes and behaviors of employees.

As we mentioned we used in our questionnaire for customers such items as “employee gives you personal attention”, “employee is consistently courteous to you”, “employee understands your needs” and etc. Indeed, customers could have expectations in terms of how they want to be treated during service encounters or they have their own view of how the process of service delivery should look like. Perhaps, they did not even think about it. However it is not a key factor in this research. The clue is that the results showed that most of the customers, who participated in this study, had perceived high quality of service in service encounters. It implies that the performance of employees during these particular
service encounters was either actually superior that exceeded customers’ expectations or it was not so high but still it was enough for customers to be satisfied.

In this research, it is shown that most of the customers remained satisfied in regards to all aspects of service quality. Tangibles, responsiveness, assurance, empathy and reliability aspects were positively assessed by most of the customers. It has to be understood that tangible dimension refers to organizational empowerment since this is a matter of the company management whether to create all necessary conditions for employees, to provide high quality of service, and to have pleasant experience for customers while purchasing products. No matter how good an employee performs his/her job, the customer’s perception of service quality is likely to be low if the company has a poor physical appearance. It is in line with Kanter (1993) who emphasized that the availability of resources is a necessary element while practicing employee empowerment. Therefore we found that the availability of resources as a component of organizational empowerment has helped to create better conditions for employees to provide high quality of service that in turn reflected in customers’ perception of service quality.

Others four aspects of customers’ perception of service quality mostly refer to the psychological empowerment. ASTEMED-RYSE’ employees feel self-determination regarding their job since they are given certain autonomy, employees are confident in their abilities to do their job well so as they get periodically trained and they are quite good motivated to sell products so as they are rewarded( as we mentioned it is a bit cynical, but fully reflects the reality). We found that all these aspects are to some extent reflected in customers’ perception of service quality.

Employee’s responsiveness towards customers’ needs is directly related to the cognitive state of the employee. If the employee is convinced in his/her abilities to assist customers well, he/she has a sense of self-determination and meaningfulness towards the job, customers treated by such employee will likely notice the openness and willingness of the employee to respond promptly to the customers’ requests. Indeed, one of the main goals through the usage of empowerment practice is to enrich employees’ performance by delivering quicker responses to the customers’ needs. Given that most of the customers
agreed that ASTEMED-RYSE’ subordinates are able to provide prompt and adequate responses to the customers’ needs, it can be concluded that employee empowerment in some degree influenced on customers perceived service quality

It is also found that most of the customers remained satisfied not only in regards to employees' responsiveness but also in terms of individualized attention. It is of course to be understood that customers are individuals with their own beliefs and standards. Hence, responses of employees towards customers’ requests cannot be standardized. It is quite complicated for employees to please all customers without having certain level of autonomy in decision making. Employees should adapt their behaviors attitudes to every individual case considering that customers can behave themselves totally different from one another. Some customers value the agility of service process while purchasing a product whereas others may insist on getting a discount before acquiring a product. It means, that the ASTEMED-RYSE’ employees adapted their behaviors depending on situational circumstances during service encounters. The company’s employees paid an individualized attention to every customer what certainly reflects active rather than passive orientation to work. According to Spreitzer (1995), empowered employees have active work role and consider themselves to be able to shape work situation by their actions.

ASTEMED-RYSE’ subordinates were able to assure the majority of the customers in their expertise by providing customers with products and services they ask for. It is proved that ASTEMED-RYSE’ employees are confident in their knowledge and abilities regarding their job. It made customers be sure in the reliability of the employees and their capabilities to do their job well. Undoubtedly, practical training and employees’ self-confidence in their competence are factors which play an important role in interaction with customers. We believe that an employee should instill confidence in you that he/she is not an amateur but an expert in his/her field.

It even becomes more important if the employee deals with such technical products as medical devices. All in all, the company’s employees demonstrated quite high level of their competence that was proved by customers’ evaluation. Therefore, periodical training and
employees’ confidence in their expertise were in a varying degree reflected in customers’
perception of service quality.

Similarly, customers noticed a high level of employees’ courtesy towards them and
employees’ willingness to help. Employees’ empathy is also formed by the construct of
cognitive state of subordinates. In such a way, the employee feels able to shape his or her
work role and hence change a work situation by taking certain actions. In our research, front
line employees demonstrated sufficient level of empathy towards customers that can be
seen through the customers’ answers. There could be many incentives for adaptation such a
behavior. Perhaps, employees were really empathetic towards certain customers or they just
wanted to be courteous while interacting with customers. It is quite possible that they
adjusted their behavior by pursuing materialistic interest since they knew that they got
bonuses for each item sold. What matters most here is that customers perceived empathy of
ASTERED-RYSE’ employees that in turn reflected in the whole perception of service quality.
Either employees acted on the basis of their own beliefs which reflected their active rather
than passive work orientation or they just followed the materialistic interest that was
created by organizational empowerment, one aspect is quite clear: dimensions of employee
empowerment were to certain extent reflected in customers’ perception of service quality.

7. Summary
This thesis has aimed to answer the following research question:

_How is employee empowerment reflected in customer’s perception of service quality?_

The purpose of this study was to examine the relationship between employee
empowerment practiced by the chosen company and the customer’s perception of service
quality. In order to achieve this goal, 3 tasks were to be sorted out. The first goal was to
determine to what extent the organization practices the structural empowerment. The
second target was to define the psychological state of subordinates. The final objective was
to examine the relationship between both dimension of empowerment and customer’s
perception of service quality.
1. The management of the chosen company pays great attention to its employees. The company has a variety of methods to encourage their employees to do their job well. Training, rewards, giving autonomy as well as availability of the resources are aspects that represent structural empowerment.

2. The psychological empowerment has been defined. All four dimensions reflected in the employees’ answers. After analyzing them, we figure out that both of dimensions are straightly correlated, the psychological dimension is pretty much dependent upon the organizational empowerment. In this research all the dimensions of psychological state of employees are positively defined and the management actively uses techniques related to structural empowerment.

3. In this research, we have found relationship between customer’s perception of service quality and both dimensions of employee empowerment. We found out the correlation between availability of resources (structural empowerment), organizational empowerment and tangible dimension of customer perceived service quality. We have revealed that four dimensions of psychological empowerment are in some measure reflected in customer’s perception of service quality.

Organizational empowerment has helped to create the psychological climate of empowerment and enhanced employees’ self-efficacy by strengthening every dimension of psychological empowerment. In turn, employees get motivated to treat customers as they get rewarded, the level of self-efficacy increases since they get more control over their job,
they become more competent since they get trained. All these factors are both dimensions of employee empowerments. Employees are motivated, courteous, and desirable to treat customers with satisfying performance from the customer’s perspective. In this research we have examined that both dimensions of employee empowerment are positively reflected in customer perception of service quality.

7.1 Practical implications
ASTEMED-RYSE is a customer focused company. Even if the employees of the company feel a certain level of empowerment, the way for providing even better service is still a factor that might be improved by the management. We have perceived a real commitment of the company in the development of employees; we believe that this is a good strategy followed by the management. For the CEO and the General Manager, we suggest the reinforcement of the empowering environment to keep their employees motivated. Also we propose that the company should keep enhancing the training process due to the fact that some employees have the feeling of not being completely competent in their duties.

The results of the study have shown that employees feel empowered and customers perceived that they have received a fair attention to their needs. We believe that in order to keep this direction and furthermore develop it, the management has to keep controlling all the actions and behaviors taken by employees in order to make sure that the company’s policy is used in accordance with its main purpose. The management therefore will be able to correct and avoid possible deviations of the original plan what in turn will help to reach better service.

7.2 Further investigations
Our findings suggest different directions for further research. First of all, this research explores the relationship of employee empowerment and customer perception of service quality based on qualitative data and information. Therefore, a quantitative measurement and a correlational research study that involves repeated observations of the same variables may be developed. This will help to obtain more data over time and hence gain a better insight of the relationship between empowerment practice and customer perceived service quality. Secondly, this research might be developed by focusing on bigger size retailing
companies. It will enable to bring in the statistical data that may give more accurate information about the dependency between items and dimensions used in this study. It is also possible to include more factors that can be related to customer perception of service quality, such as “corporative or organizational culture” “Business environment” and etc. All these might reflect new effects of employee empowerment practice.
References


Bebko, C. P. (2001). Service encounter problems: which service providers are more likely to be blamed?. *Journal of Services Marketing, 15*(6), 480-495.


service quality and customer satisfaction—a factor specific approach. *Journal of services marketing*, 16(4), 363-379.


WEB SITES


ATESTED-RYSE
http://rysemedica.com.mx/

CANIFARMA Mexico 2013
http://www.canifarma.org.mx/datoseconomicos.html
Appendix A
Employee’s psychological empowerment questionnaire

Sample of Questionnaire for employees
The following questionnaire is part of a thesis research project. We are carrying out a study which includes an evaluation of the level of empowerment practiced at your company. Based on your experiences as employee of this company, please think about how much agree or disagree you are in relation to the 4 dimensions included in this questionnaire. Thank you for taking the time to fill in this questionnaire; it should only take 10 minutes.

Your answers will not be released to anyone and will remain anonymous. Your name will not be written on the questionnaire or be kept in any other records. All responses you provide for this study will remain confidential. When the results of the study are reported, you will not be identified by name or any other information that could be used to infer your identity. Only researchers will have access to any data collected during this research. Your participation is voluntary and you may withdraw from this research any time you wish or skip any question you don’t feel like answering. Your refusal to participate will not result in any penalty or loss of benefits to which you are otherwise entitled to.

You agree to participate in this research project by filling the following questionnaire. If you have any questions, please ask to the following member of the research team: Aarón Rodríguez Delgado (aaronn.rdz@hotmail.com)

Please mark with an “X”, the answer that better correspond to your experience about each question. The answers includes a low-high scale agreement in which strongly disagree is the lowest and strongly agree the highest.

<table>
<thead>
<tr>
<th>Meaning</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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</thead>
<tbody>
<tr>
<td>1. My work is valuable for me</td>
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<td>2. My work activities are personally meaningful to me</td>
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<td>3. The decisions I make at work correspond with my standards and believes</td>
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<td>4. I am responsible for the outcome of my work</td>
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<td>5. The porpoise of my work is related to my values and standards</td>
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<tr>
<th>Competence</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>6. I have mastered skills necessary for my work</td>
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<td>7. I am confident about my ability to do my job</td>
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<td>8. My job is well within my level of abilities</td>
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<td>9. I periodically get trained to improve my skills</td>
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<td>10. I am self assured about my capabilities to perform at high standard</td>
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<tr>
<th>Self Determination</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>11. I have freedom in determining how to do my job</td>
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<td>12. I have a great control over my job</td>
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<td>13. I have an opportunity to use personal initiative in my work</td>
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<td>14. I determine the way to improve in my job</td>
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<td>15. I feel independent at my workplace</td>
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<tr>
<th>Impact</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tbody>
<tr>
<td>16. I am capable of influencing on service delivery process</td>
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<td>17. My opinion counts in organization decision-making</td>
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<td>18. My influence on quality of service is large</td>
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<tr>
<td>19. My work contributes to the company’s overall goals and strategy</td>
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<td>20. Decision I made is significant for the organization performance</td>
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</table>

Thank you very much for taking the time to complete this questionnaire. Please hand it back to the person who provides you with this questionnaire.
Appendix B
Customer’s perception SERVQUAL adapted questionnaire

Sample of Questionnaire for customers
The following questionnaire is part of a thesis research project. We are carrying out a study which includes an evaluation of the perception of service performance in this company. Based on your experiences as a customer of this company, please think about how satisfied or poor you perceive the service offered by the employee in relation to the 5 dimensions included in this questionnaire. Thank you for taking the time to fill in this questionnaire; it should only take 10 minutes.

Your answers will not be released to anyone and will remain anonymous. Your name will not be written on the questionnaire or be kept in any other records. All responses you provide for this study will remain confidential. When the results of the study are reported, you will not be identified by name or any other information that could be used to infer your identity. Only researchers will have access to view any data collected during this research. Your participation is voluntary and you may withdraw from this research any time you wish or skip any question you don’t feel like answering. Your refusal to participate will not result in any penalty or loss of benefits to which you are otherwise entitled to.

You agree to participate in this research project by filling the following questionnaire. If you have any questions, please ask to the following member of the research team: Aarón Rodríguez Delgado (aaronn.rdz@hotmail.com)

Please mark with an “X”, the answer that better correspond to your experience about each question. The answers includes a low-high scale agreement in which strongly disagree is the lowest and strongly agree the highest.

<table>
<thead>
<tr>
<th>Tangibles</th>
<th>Extremely poor</th>
<th>Poor</th>
<th>Satisfied</th>
<th>Extremely satisfied</th>
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<tbody>
<tr>
<td>1. Company’s physical facilities are appropriate to provide a good service</td>
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<td>2. Employee has modern equipment to offer the service</td>
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<td>3. Employee appears professionally dressed</td>
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<tr>
<td>4. Materials associated with the service (promotional brochures, documents, invoices etc) are visually appealing.</td>
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<tr>
<td>Reliability</td>
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<td>5. Employee has the knowledge to answer your questions</td>
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<td>6. Employee performs the promised service accurately</td>
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<td>7. Employee gives the prompt service to you</td>
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<td>8. From the first time employee is able to correctly perform the service</td>
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<tr>
<td>Responsiveness</td>
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<tr>
<td>9. Employees are never be too busy to respond to your requests</td>
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<td>10. Employee tells you exactly when your product or service will be delivered</td>
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<td>11. When employee promises to do something by a certain time, he/she does so.</td>
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<tr>
<td>12. Employees is willing to assist you during the service encounter</td>
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<tr>
<td>Assurance</td>
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<td>13. Employee gives you personal attention</td>
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<tr>
<td>14. The behaviour of employee instils confidence in you</td>
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<td>15. Employee provides you with the products or services you ask for</td>
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<td>16. Employee try to avoid mistakes in your requests</td>
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<tr>
<td>Empathy</td>
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<tr>
<td>17. Employee understands your needs</td>
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<tr>
<td>18. Employee is always be willing to help you</td>
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<td>19. Employee is consistently courteous to you</td>
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<tr>
<td>20. When you have a problem, employee shows a sincere interest in solving it</td>
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</tbody>
</table>

Thank you very much for taking the time to complete this questionnaire. Please hand it back to the person who provides you with this questionnaire.