Empowerment in the Service Industry: An Empirical Study in Taiwan

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ABSTRACT. Employee empowerment is an essential managerial means that can be used to obtain competitive advantages from human resources in the new millennium. A comprehensive understanding of the essence of empowerment is crucial to facilitate its effective implementation. In this article, the author proposes a 4-dimensional empowerment model in an organizational setting and a matrix that incorporates the 4 dimensions and the 7S (R. H. Waterman, T. J. Peters, & J. R. Phillips, 1980) organizational factors. In addition, this study represents an empirical examination of the effects of personal and company characteristics on empowerment. The implications of the research results are discussed.

Key words: empirical study, empowerment, service industry, Taiwan

IN AN INCREASINGLY COMPETITIVE GLOBAL ECONOMY, companies have been experimenting with various management programs that promise competitive advantages. However, research shows that less than one third of such endeavors during the last 15 years, including total quality management, downsizing, restructuring, benchmarking, and reengineering, have actually produced the desired results (Ashkenas, Shaffer, et al., 1994; Foster-Fishman & Keys, 1995). Ashkenas et al. (1994) suggested that organizations put aside unrealistic searches for a programmatic holy grail and begin to look within—into their untapped capacity and their ability to inspire commitment. Empowerment is an effective means of promoting this highly desirable quality.

In recent years, empowerment has been discerned as an important feature of successful management (e.g., Batten, 1995). Kotter (1995) affirmed that a major step in transforming an organization is to empower employees to act on the organizational vision. Leaders who empower employees enable them and their organizations to deal more successfully with market turbulence and unforeseen

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demands of the future (Lorsch, 1995). In the service industry, empowerment is particularly important.

Chen (1998) pointed out that service operations are characterized by extensive interactions between customers and providers; customer satisfaction is thus closely associated with service performance and various service encounters throughout the system. Empowerment enhances employees’ sense of personal power and allows them to delight their customers (Lashley, 1995b). Working through the organizational hierarchy to gain approval delays the service and jeopardizes customer satisfaction. The benefits that can be derived from empowerment include employee commitment, quality products and services, efficiency, responsiveness, synergy, management leverage, and increased competitiveness in the global marketplace (Lashley, 1995b).

Empowerment tends to be more talked about at the cognitive level than realized in practice. In business, many people refer to empowerment without really understanding its essential nature (Dobbs, 1993; Randolph, 1995). The first purpose of this study was to explore the essence of empowerment and propose a framework for its implementation. Empowerment takes place within an organization, but through the perception of individuals. As a result, personal traits such as age, gender, tenure, and educational background exert varying degrees of influence on the way in which empowerment is perceived. In addition, in an organizational setting the nature of a given company may also affect employees’ perception of empowerment.

In Taiwanese enterprises, many concepts of Western management have been widely adopted. Yet, with Taiwan’s national culture of moderate high power distance between superiors and subordinates based on Hofstede’s (1980) cultural dimension, it is interesting to investigate whether employees of foreign firms and local Taiwanese firms perceive empowerment differently. Therefore, the second purpose of this research was to empirically test whether characteristics of specific employees and companies have a significant influence on the perception of empowerment.

Holpp (1994) said that empowerment leads to self-actualization and creates a happier, more energetic workplace. Several scholars also reported that empowered teams have higher levels of customer service and job satisfaction (Kirkman & Rosen, 1999; Spreitzer, Kizilos, & Nason, 1997). The third purpose of this study was to examine whether empowerment also leads to job satisfaction in the Eastern cultural setting of Taiwan.

The expected contribution of this study is threefold. First, in response to Conger and Kanungo’s (1988) comment that little empirical work has been performed although empowerment has been discussed by several management scholars, the results of this study may enrich the relevant literature in this regard. Second, as more and more countries are stepping into the service sector of the economy, research results may shed some light on service industries. Third, with ever-increasing global cooperation and joint ventures between Eastern and West-
Empowerment-related literature can generally be grouped into four categories. Result-oriented studies have examined successful cases of empowerment (e.g., Berman, 1995; Burbidge, 1995). Operation-oriented literature has explained how empowerment is attainable through delayering, involving, establishing commitment, teaming, and intervening (e.g., Bogg, 1995; Lashley, 1995a; Nixon, 1994; Osborne, 1994). Trait-oriented research is characterized by exploring the preconditions of control and power, trust and inclusion, accountability, honesty, and risk taking (Anfuso, 1994; Foster-Fishman & Keys, 1995). Individual-oriented literature includes personal feelings, personal power, self-determination, and other cognitive variables of empowerment (e.g., Baird, 1994; Fulford & Enz, 1995; Spreitzer, 1995).

The in-depth investigation of a single dimension may provide a useful perspective. Yet, at the implementation level, such an approach cannot adequately reflect the complex sets of variables involved. Zimmerman (1990) commented that an overly individualistic conception of empowerment might limit one’s understanding of environmental influences or organizational factors as well as social, cultural, and political contexts (p. 173). Spreitzer et al. (1997) said that no unidimensional conceptualization of empowerment by itself would capture the full essence of the empowerment concept. Wall and Wall (1995) reported that as organizations have striven to become more competitive, many have overlooked a critical element—the overall framework that could turn empowerment from an attractive concept into a competitive advantage. To respond to the call for a more comprehensive approach to successfully implement empowerment in an organizational setting, I have presented a four-dimensional conceptual model as Figure 1.

Basically, the model has its basis in two definitions of empowerment. The Merriam Webster’s Dictionary defines the verb to empower as “to authorize or delegate or give legal power to someone.” Conger and Kanungo (1988, p. 474) defined empowerment as a process whereby an individual’s belief in his or her efficacy is enhanced. These definitions imply that in an organizational setting empowerment is associated with two parties: a power bestower (leader) and a bestowee (employee). In addition, to enhance an individual’s belief in his or her efficacy, a nurturing environment is required. Therefore, empowerment should be an ongoing process determined by factors such as organizational culture and management practices that enhance employees’ self-efficacy. Specifically, empowerment represents the continuous and combined interactions of leaders, employees, organizational culture, and management practices.

Scholars have stipulated that empowerment requires a specific, operational definition (i.e., Holpp, 1995). To obtain a better understanding of empowerment,
it is necessary to consider organizational factors. Spreitzer (1995) suggested that a powerful test of a full empowerment model would be to tie empowerment to certain organizational initiatives in order to produce motivational changes in employees. Hart and Schlesinger (1991) said that successful empowerment calls for a cultural shift within an organization in terms of a change in values, in the way people work together, and in the way people feel about participation and involvement.

According to Byham (1992), empowerment is a feeling of job ownership and commitment brought about through the ability to make decisions, be responsible, be measured by results, and be recognized as a thoughtful, contributing human being rather than a pair of hands doing what others say. Lawler (1986) further pointed out that to be considered empowering, an organization must reward desired contributions on the part of employees. These perceptions suggest that empowerment is interconnected with such organizational factors as values and working and managing styles and systems.

In light of the observations described here, a matrix of the four dimensions (Figure 1) and relevant organizational factors may facilitate an in-depth investigation of empowerment. To provide an all-encompassing coverage, I selected the 7S model proposed by Waterman, Peters, and Phillips (1980) as a framework to reflect key organizational factors. Waterman et al. asserted that effective organi
zational change in fact represents the relationship among strategy, structure, sys-

tems, styles, skills, staff, and superordinate goals (shared values). They said “It’s
difficult, perhaps impossible, to make significant progress in one area without making
progress in the others as well” (Waterman et al., 1980. p. 18). On the basis of the
concept that empowerment is a multifaceted process and should be tackled
comprehensively, key characteristics of empowerment have been placed into
appropriate cells in the matrix as indicated in Table 1. Table 1 is not meant to be an
exhaustive list of the characteristics of empowerment; rather it provides a way of
mapping applicable measures in implementing empowerment.

Figure 1 and Table 1 illustrate empowerment from the perspectives of
empowering leaders, an empowering culture, empowering practices, and empowered
employees in terms of strategy, structure, systems, style, skills, staff, and shared values.
This description highlights the major elements that need to be developed to create a
sustainable empowering organization. The characteristics listed in the matrix are
inclusive rather than exclusive in nature and constantly interact with each other. For
instance, empowering leaders facilitate the formation of an empowering culture, design
empowering practices, and nurture self-managed employees. An empowering culture
nourishes empowering leaders, accelerates the implementation of empowering
practices, and encourages employees to be self-managing. Empowering practices
formalize the empowering culture, manifest the determination of empowering leaders,
and encourage employees to become empowered. Empowered employees sustain the
empowering culture, enable leaders to maintain empowering, and initiate empowering
practices at their own level. Empowered employees become empowering leaders in the
context of their own work units. This process continues on and on to the lowest possible
level; interactions are mutually reinforcing and should be carefully observed and
shaped.

Although organizational factors need to be taken into consideration for the
successful implementation of empowerment, its ultimate success stems from the
perceptions of employees, which in turn are affected by personal traits of age, gender,
tenure, and educational background. Generally, in Eastern cultures, with age comes
respect. Older employees usually have more work experience, know their jobs and the
organizational environment better, and are more likely to be assigned jobs that require
autonomy. A study by Amin, Becker, and Bayes (1998) also showed that age tends to
be positively associated with women’s empowerment. Therefore, my first hypothesis
was that older employees rate an empowerment environment more favorably than
younger employees do.

Western literature has reported that men and women show no significant dif-
fferences in their attitude toward empowerment (Koberg, Boss, Senjem, & Goodman,
1999). However, this result may not apply to an Eastern culture in which women are
generally less privileged and have less power in organizations (Chang, 1994). My
second hypothesis was that female employees rate empowerment environment less
favorably than male employees do.


<table>
<thead>
<tr>
<th>Empowerment</th>
<th>Empowering leader(s)</th>
<th>Empowering culture</th>
<th>Empowering practices</th>
<th>Empowered employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>7S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared value</td>
<td>Excellence</td>
<td>Trust and support</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Human-centeredness</td>
<td>Company-wide involvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>Creating a vision</td>
<td></td>
<td>Self-directed work teams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Role modeling</td>
<td></td>
<td>Flatter organization</td>
<td></td>
</tr>
<tr>
<td>System</td>
<td></td>
<td></td>
<td>Power distribution</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rapid information flow</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Appropriate rewards</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Continuous employee</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>development</td>
<td></td>
</tr>
<tr>
<td>Style</td>
<td>High task, high people oriented</td>
<td></td>
<td>Goal integration</td>
<td></td>
</tr>
<tr>
<td>Skills</td>
<td>Human development</td>
<td></td>
<td></td>
<td>Team spirit</td>
</tr>
<tr>
<td></td>
<td>skills</td>
<td></td>
<td></td>
<td>Problem-solving skills</td>
</tr>
<tr>
<td></td>
<td>Communication skills</td>
<td></td>
<td></td>
<td>Communication skills</td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
<td></td>
<td>Committed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Continuous learning</td>
</tr>
</tbody>
</table>


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**TABLE 1**

*Key Characteristics of Empowerment*
Koberg et al. (1999) also reported that individuals with more tenure in the organization felt more empowered. It is commonly accepted that employees with more tenure are more experienced, are more trusted, have a better understanding of organizational culture and leaders, and are more likely to be empowered. Therefore, my third hypothesis was that employees with more tenure rate an empowerment environment more favorably.

The very essence of empowerment is to affect decision making down to the lowest possible level. Each level of employees has its own responsibilities. In an organization with a culture of empowerment, managers and employees alike are provided with a clear vision and sufficient information to achieve the goals appropriate for their positions (Randolph, 1995). As employees become more comfortable with making decisions, they handle problems without management assistance and make a greater number of decisions. Randolph also reported that one of the companies he studied had highly successful teams that made hiring and firing decisions, handled members’ performance reviews, scheduled work, worked within the budget, and solved almost all the critical problems they encountered. Because low-level employees should also be empowered (Laabs, 1997; Randolph), my fourth hypothesis was that the rank of employees does not significantly affect how they rate empowerment in an organization.

The primary value of empowerment is that it establishes a culture in which the work force is encouraged and expected to identify and suggest improvements. Such a culture enables enlightened management to sponsor and promote a proactive atmosphere that provides employees with the necessary tools to do their jobs that effectively matches the rate of business transitions. Tyson (1994) found that in an organization with empowerment, normally working teams have control over the process and the outcome, and team members develop their own set of job expectations. In such a working environment, the educational background of individual employees may not be as influential as other personal characteristics. For example, insurance companies in Taiwan generously reward employees with high performance irrespective of their educational background. Therefore, my fifth hypothesis was that the educational background of employees does not significantly affect how they rate empowerment in an organization.

Researchers have commented that group and organizational variables account for more variance in empowerment than do personal trait variables (Koberg et al., 1999; Spreitzer, 1995). A significant percentage of service companies in Taiwan are Western owned or joint ventures. However, earlier comparative studies showed that management practices varied in companies in terms of different ownership (Chao, 1986; Ho, 1987; Lin, 1991, 1996). Particularly, I (Lin, 1991, 1998) found that, compared with American firms in Taiwan, local Taiwanese firms tend to have more orders or goals imposed from upper management. My sixth hypothesis was that company ownership (foreign companies or local companies) significantly affect how employees rate empowerment in an organization.

Tyson (1994) reported that empowerment imparts trust and confidence and
stimulates the work force within an organization. In addition, empowered employees have a heightened psychological sense of ownership and of identification with corporate goals. Because everyone has an internal need for self-determination and a need to control and cope with environmental demands (Conger & Kanungo, 1988), empowerment enhances employees’ feelings of self-worth and value to the organization and increases job satisfaction (Lashley, 1995b; Randolph, 1995; Spreitzer, 1995; Tyson, 1994). Spreitzer et al. (1997) noted that work satisfaction was one of the earliest anticipated outcomes of empowerment. Kirkman and Rosen (1999) also commented that empowered teams were more productive and proactive than traditional work teams and had higher levels of customer service and job satisfaction. Therefore, my seventh hypothesis was that empowerment significantly accounts for the variances of employees’ job satisfaction.

Method

Measurement

In this study I used a questionnaire survey to collect data. The questionnaire consisted of three parts devoted to empowerment, job satisfaction, and demographic information. In terms of empowerment, I used 33 questions (see Appendix) based on the characteristics listed in Table 1. These questions were first developed and tested ($a = .94$) in another study (Lin, 1998). I further tested the questions to correlate empowerment scores ($a = .49$, $p < .001$) with self-esteem scores, according to Hayes’s (1994) suggestion, thus establishing the reliability and validity of the questionnaire.

In this study, I used an additional five questions to examine job satisfaction. These questions were mainly based on Hackman and Oldham’s Complete Job Characteristics Model (French, 1998, p. 157). However, one of the variables, task identity, was not included here because in a service industry, task identity is well understood in Taiwan—providing quality service throughout the whole process of personal contact.

Demographic information included age, sex, educational background, position, tenure of the respondents, and the ownership of the companies where the respondents were employed. For further refinement, the questionnaire was reviewed by a management professor and a human resources manager.

Participants and Procedure

As the target of this study I chose three insurance companies, two foreign and one local, that operate in Taiwan. My reason for focusing on this industry is that it offers an ideal pool of employees for which to study empowerment because front-line service representatives are uniquely positioned to enhance customer satisfaction. Specifically, Cacchione and Zinsser (1999) suggested that
employees in the insurance industry must be empowered in order to be responsive to customers’ needs. In addition, one of the three companies was identified as possessing the characteristics of empowerment (Lin, 1998). In selecting compatible companies my goal was to provide a good ground for comparison. Table 2 shows the backgrounds of the three insurance companies.

I distributed 400 copies of the questionnaires to the three life insurance companies: 100 copies sent to AA company resulted in 80 usable copies; 150 copies sent to BB company resulted in 117 usable copies; and 150 copies sent to CC company provided 103 usable copies. The total number of usable copies was 300, a response rate of 75%. Table 3 contains a profile of the respondents. Data analysis showed that more than half of the respondents were in the age range of 31 to 40 years. About 63% were women, of which more than half had a high school education; 58% were supervisors. Working tenure was approximately equally distributed into three groups: less than 1 year, 2—5 years, and more than 5 years.

Reliability and Validity Testing

I conducted reliability and validity tests, the results of which indicated that the

<table>
<thead>
<tr>
<th>TABLE 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background of the Three Insurance Companies</td>
</tr>
<tr>
<td>Company characteristics &amp; AA &amp; BB &amp; CC</td>
</tr>
<tr>
<td>Year of establishment in Taiwan &amp; 1988 &amp; 1963 &amp; 1962</td>
</tr>
<tr>
<td>(taken over by MG group) &amp; &amp; &amp;</td>
</tr>
<tr>
<td>Ownership &amp; U.S.A. &amp; U.S.A. &amp; Taiwan</td>
</tr>
<tr>
<td>Total employees as of 1999 &amp; 30,833 &amp; 41,733 &amp; 59,949</td>
</tr>
<tr>
<td>Women &amp; 20,594 (67%) &amp; 24,971 (60%) &amp; 46,739 (78%)</td>
</tr>
<tr>
<td>Men &amp; 10,239 (34%) &amp; 16,762 (40%) &amp; 13,210 (22%)</td>
</tr>
<tr>
<td>Growth rate of new business for the past 3 years &amp; 1997—26% &amp; 1997—3% &amp; 1997—1%</td>
</tr>
<tr>
<td>(individual insurance only) &amp; 1998—31% &amp; 1998—89% &amp; 1998—41%</td>
</tr>
<tr>
<td>Growth rate of business in force for the past 3 years &amp; 1999—60% &amp; 1999—16% &amp; 1999—22%</td>
</tr>
<tr>
<td>(individual insurance only) &amp; 1997—21% &amp; 1997—18% &amp; 1997—13%</td>
</tr>
<tr>
<td>(individual insurance only) &amp; 1999—20% &amp; 1999—16% &amp; 1999—7%</td>
</tr>
</tbody>
</table>

*New business growth rate of the total industry in 1999 was —2.1.08%. Group insurance revenue comprised less than 3% of total revenue for the insurance industry. Therefore, it is not included. Business in force growth rate of the total industry in 1999 was 10.45%. Annual Report of Life Insurance R.O.C.1999 (2000); Insurance Yearbook of R.O.C. 1999 (2000).
TABLE 3
Profile of the Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Group</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>&lt;30</td>
<td>75</td>
<td>26.1</td>
</tr>
<tr>
<td></td>
<td>31—40</td>
<td>154</td>
<td>53.7</td>
</tr>
<tr>
<td></td>
<td>&gt;40</td>
<td>58</td>
<td>20.2</td>
</tr>
<tr>
<td>Sex</td>
<td>Male</td>
<td>109</td>
<td>37.2</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>184</td>
<td>62.8</td>
</tr>
<tr>
<td>Education</td>
<td>High school</td>
<td>142</td>
<td>51.4</td>
</tr>
<tr>
<td></td>
<td>College</td>
<td>70</td>
<td>25.4</td>
</tr>
<tr>
<td></td>
<td>University +</td>
<td>64</td>
<td>23.2</td>
</tr>
<tr>
<td>Position</td>
<td>Supervisor</td>
<td>162</td>
<td>58.1</td>
</tr>
<tr>
<td></td>
<td>Nonsupervisor</td>
<td>117</td>
<td>41.9</td>
</tr>
<tr>
<td>Tenure</td>
<td>&lt; 1 year</td>
<td>101</td>
<td>35.4</td>
</tr>
<tr>
<td></td>
<td>2-5 years</td>
<td>90</td>
<td>31.6</td>
</tr>
<tr>
<td></td>
<td>&gt;5 years</td>
<td>94</td>
<td>33.0</td>
</tr>
<tr>
<td>Type of company</td>
<td>AA</td>
<td>80</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>BB</td>
<td>117</td>
<td>39.0</td>
</tr>
<tr>
<td></td>
<td>CC</td>
<td>103</td>
<td>34.3</td>
</tr>
</tbody>
</table>

questionnaire was reliable (α = .95 for the 33 empowerment questions, and α = .80 for the five job satisfaction questions). To test the construct validity of the empowerment questions, I conducted a factor analysis. First, to discover whether the data set was sufficiently correlated to justify the application of a factor analysis and to assess the factorability of the correlation matrix, I conducted a Bartlett’s test of sphericity and calculated the Kaiser-Meyer-Olkin measure of sample adequacy (Hair, Anderson, Tatham, & Black, 1998, p. 99). After I determined the appropriateness of factor analysis, I applied a four-factor principal component analysis with a varimax rotation. The purpose was to examine whether the result of factor analysis did reflect the expected four dimensions and to explore the minimum number of factors to account for the maximum portion of the variance.

Finally, I examined the internal consistency of each factor to ensure the reliability of the scale. Four items (12, 15, 16, and 32) were discarded because of their inability to distinguish among factors. The extracted four factors, namely, empowering leaders, empowering culture, empowering practices, and empowered employees, explained 63% of the variance. A general rule of factor analysis is that there should be four or five times as many observations as there are variables to be analyzed (Hair, Anderson, Tatham, & Grablowsky, 1979, p. 219). With 300 observations for 33 questions, the result of this factor analysis (reported in Table 4) should be valid to continue further data analyses.
Table 4 shows that for the total number of respondents the mean scores of the four factors, Leader, Culture, Practice, and Employee were 4.93, 5.09, 5.00, and 4.66, respectively, on a 6-point scale. Table 5 shows the means and standard deviations for each group.

I administered a multivariate analysis of variance and Scheffé comparison to
TABLE 5
Means and Standard Deviations, by Type of Company and Factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>AA (n=80)</th>
<th>BB (n=117)</th>
<th>CC (n=103)</th>
<th>Total (n=300)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M  SD</td>
<td>M  SD</td>
<td>M  SD</td>
<td>M  SD</td>
</tr>
<tr>
<td>Leader</td>
<td>4.91 0.79</td>
<td>5.03 0.83</td>
<td>4.82 1.00</td>
<td>4.93 0.89</td>
</tr>
<tr>
<td>Culture</td>
<td>5.18 0.58</td>
<td>5.13 0.78</td>
<td>4.99 0.83</td>
<td>5.09 0.75</td>
</tr>
<tr>
<td>Practices</td>
<td>5.00 0.69</td>
<td>4.91 0.95</td>
<td>5.08 0.83</td>
<td>5.00 0.85</td>
</tr>
<tr>
<td>Employees</td>
<td>4.38 0.75</td>
<td>4.88 0.76</td>
<td>4.62 0.86</td>
<td>4.66 0.82</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>4.91 0.65</td>
<td>4.63 0.82</td>
<td>4.63 0.86</td>
<td>4.71 0.80</td>
</tr>
</tbody>
</table>

...tion, tenure, or type of company had a significant influence on the four factors of empowerment. Table 6 shows that only sex, tenure, and type of company differ significantly in terms of the perception of empowering culture, empowering practices, and empowered employees.

Women rated empowering culture (M = 5.04) and empowering practices (M = 5.12) more favorably than men did (Ms = 4.71 and 4.78, respectively). Respondents with less than 1 year tenure rated their companies higher in having empowered employees (M = 4.80) than did respondents with 2—5 years tenure (M = 4.43). In terms of the type of company, the employees in AA company rated empowered employees significantly lower (M = 4.38) than did employees in BB company (M = 4.88).

As a result, Hypotheses 1, 2, and 3 were rejected and Hypotheses 4, 5, and 6 were accepted. In particular, the results showed the reverse of what I anticipated in Hypothesis 2. Women rated empowerment culture and practices more favorably than did men. The result was similar for Hypothesis 3. Employees with less than 1 year tenure rated empowered employees more favorably than those with 2—5 years of experience.

To test Hypothesis 7 (whether empowerment significantly accounts for the variances of employees’ job satisfaction) and to examine which factor could best explain the variance in job satisfaction, I conducted a stepwise regression analysis. The whole regression model was significant at the .001 level (R2 = .383, adjusted R2 = .377). Table 7 indicates that empowering practices can best explain the variance of job satisfaction, followed by empowered employees and empowering culture. As a result, Hypothesis 7 was accepted.

To further detect which items specifically explained job satisfaction, I again administered a stepwise regression analysis with all the questions of empowering practices, empowered employees, and empowering culture as predictors. Five questions have significant explaining power in predicting job satisfaction. In the order of importance, they are 21, 29, 25, 20, and 14 (see Appendix).
TABLE 6
MANOVA Result and Post Hoc Comparisons
For the Variables With Significant Differences

<table>
<thead>
<tr>
<th>Variable</th>
<th>SS</th>
<th>F</th>
<th>Post Hoc comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex (df = 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader</td>
<td>0.269</td>
<td>0.338</td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>6.412</td>
<td>11.644**</td>
<td></td>
</tr>
<tr>
<td>Practice</td>
<td>7.734</td>
<td>11.052**</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>2.395</td>
<td>3.596</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.788</td>
<td>1.128</td>
<td></td>
</tr>
<tr>
<td>Tenure (df = 2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader</td>
<td>1.699</td>
<td>1.111</td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>1.202</td>
<td>1.092</td>
<td></td>
</tr>
<tr>
<td>Practice</td>
<td>1.761</td>
<td>1.236</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>5.907</td>
<td>4.622*</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.128</td>
<td>0.210</td>
<td></td>
</tr>
<tr>
<td>Type of company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader</td>
<td>2.406</td>
<td>1.540</td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>1.875</td>
<td>1.660</td>
<td></td>
</tr>
<tr>
<td>Practice</td>
<td>1.628</td>
<td>1.139</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>11.935</td>
<td>9.458**</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>1.284</td>
<td>2.443</td>
<td></td>
</tr>
</tbody>
</table>

Note. MANOVA = multivariate analysis of variance
*p < .01. **p < .001.

TABLE 7
Result of the Stepwise Regression Analysis for
Four Empowerment Factors Against Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>SE B</th>
<th>β</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
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<tr>
<td>Intercept</td>
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<td>0.277</td>
<td></td>
<td>4.082</td>
<td>.000</td>
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<tr>
<td>Culture</td>
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<td>0.064</td>
<td>.183</td>
<td>3.047</td>
<td>.003</td>
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<tr>
<td>Practice</td>
<td>0.345</td>
<td>0.058</td>
<td>.364</td>
<td>5.961</td>
<td>.000</td>
</tr>
<tr>
<td>Employee</td>
<td>0.185</td>
<td>0.053</td>
<td>.188</td>
<td>3.503</td>
<td>.001</td>
</tr>
</tbody>
</table>

Note. R² = .383; adjusted R² = .377
Discussion

The results of hypothesis testing reveal some pertinent issues for discussion. With rather high mean values of the four empowerment factors (approaching 5 on a 6-point scale), it seems that employees in these three insurance companies were generally provided with a rather favorable empowerment environment. Personal characteristics that are related to seniority in Taiwan, namely, age, tenure, and position did not show a significant influence on perceived empowerment in expected directions. In a Chinese society, seniority traditionally represents capability, respectfulness, trustworthiness, and loyalty. In the past, senior employees were usually granted more power. Results of the current study did not detect this traditional Chinese value. Employees who were older, more experienced, and served as supervisors did not perceive a more favorable empowerment environment. Cole-Gomolski (1998) found that some general perceptions work against older workers, including the one that older employees lack familiarity with ever-changing technological innovation, are more costly to maintain in jobs, are less motivated, and are less flexible. Perhaps in the ever more demanding service industry, younger people, who are largely associated with the ability to adapt to change and innovation and the fast pace of life today, and who possess energy and flexibility, are becoming more valued.

Against my expectation, employees with less than 1 year of tenure rated empowered employees most favorably, particularly compared with the group with 2—5 years of experience. This finding may have something to do with the psychological contract of new employees. When an employee starts a new job, he or she has some aspiration and tends to idealize the chosen company. While the new employee is learning the ropes, colleagues appear to be competent and a pleasant atmosphere is fostered. With the increase of personal experience, problems begin to surface.

Baird and Kram (1983) reported that employees have four career stages, namely, establishment, advancement, maintenance, and withdrawal. Employees with 2—5 years of experience are generally approaching the advancement stage, one that requires less guidance. Such employees are more concerned with exposure and advancement. At this stage, employees tend to re-evaluate their future from various angles, including empowerment, team spirit, opportunities for exposure, the capabilities of co-workers, and compatibility of personal values. They may have higher expectations of the organization and peers for personal advancement.

Although Koberg et al. (1999) reported that empowerment perceptions increased with organizational rank, the results of this study indicate otherwise. The nature of insurance companies is such that sales representatives (nonsupervisors) have a certain degree of discretion to satisfy customers needs, which may downplay the rank difference pertaining to empowerment. Another personal characteristic—educational background—did not exert a significant differ-
ence on respondents’ perceptions of empowerment. This may reflect a performance-oriented system in insurance companies. In Taiwan, the reward system in insurance companies is very much performance oriented. Promotion and compensation are mainly based on performance rather than on educational qualifications.

Particularly worthy of elaboration is the finding that female employees rated empowering culture and practices more favorably than did male employees. This result does not agree with the report of Koberg et al. (1999) that men and women exhibited no significant differences in feelings of empowerment. Furthermore, it runs contrary to the Chinese stereotype that women have less power, hold less important positions, and are less involved in decision making (Chang, 1994).

This dynamic issue may be discussed from two perspectives. First, the nature of the insurance industry in Taiwan is, to a large extent, female dominated. Both Table 2 and Table 3 show that the composition of employees and majority of respondents were women. In Taiwan, quite a large percentage of insurance representatives are part-time housewives. In addition, buyers of household insurance policies (largely individual life, accident, and health insurance) are generally the mothers or wives of the family. Female representatives have a better understanding of the needs of female customers and are in a good position to have better performance records. In such cases, being a woman is distinctly advantageous rather than disadvantageous.

Second, women and supervisors (n = 96, 59% of the total 162 supervisors) constituted a majority of the respondents. Female employees who have been promoted to supervisors usually have outstanding performance records that have earned them respect, and they tend to play important roles in their organizations. Their perceptions concerning an empowering environment may be quite positive. By contrast, men are in the minority in this industry. They may compare their working environment with that of their peers in other industries and may feel less positive. Spreitzer (1995) said that an individual’s work context shapes empowerment cognition, which in turn motivates that individual. The results of this study appear supportive of Spreitzer’s comment that empowerment is not an enduring personality trait that is generalizable across situations but rather a set of cognitions shaped by a work environment.

As for the effect of the type of company on the perceptions of empowerment, employees of local CC companies rated empowering leaders and empowering culture lowest. Although not significant in statistical terms, the results seem somewhat in agreement with the paternalistic leadership style of traditional Chinese firms. Leaders regard subordinates as their children (Lin, 1991, pp. 33—34). Leaders (parents) arrange and outline most of the important tasks for the employees (children).

A most interesting result was that employees of BB company (a foreign-owned yet fully localized company) rated empowered employees highest. This
finding seems to indicate that the combination of the concept of Western human resources and a localized approach may be accepted by Taiwanese employees as a way of creating empowered teams.

As for the relationship between empowerment and job satisfaction, regression analysis showed that empowering practices, empowered employees, and empowering culture can significantly explain the variance in job satisfaction. The result is in concert with the report of Koberg et al. (1999) who found that empowerment perceptions were associated with increased job satisfaction. A particularly valuable finding is that empowering practices were most important in accounting for job satisfaction. This result does not devalue the initiator of empowerment, that is, empowering leaders; rather it highlights the notion that matching empowering practices, creating empowered working partners, and facilitating an empowering culture may require further attention. Empowering practices, working partners, and organizational culture are part of the employees’ daily environment; as such, they are always present and are more relevant in perceiving empowerment.

Companies that wish to establish an organizational environment of empowerment should not overlook those powerful matching measures. In particular, they should reward employees for coming up with innovations and for outstanding performances. They should foster organization-wide effective communication, promote self-learning, keep employees updated on the organization’s future and current performance, and facilitate self-directed work teams.

**Implications**

Four managerial implications may be drawn from the research results obtained in this study. They are as follows: (a) empowerment should be operational, (b) empowered female employees should be recognized as one of the competitive advantages in the service industries, (c) empowerment should be noted as a valid tool to retain employees, and (d) matching empowering practices should be designed to enhance job satisfaction.

*Empowerment Should Be Operational*

To translate empowerment into an organizational competitive advantage (Wall & Wall, 1995), empowerment must be enacted as well as conceptually promoted. To avoid the less than one third success rate of a programmatic holy grail mentioned at the beginning of this article, managers must implement empowerment. Employees must feel empowerment constantly and then be able to adapt it to their daily work. Furthermore, the finding that empowering practices, empowered employees, and empowering culture are more critical than empowering leaders in explaining job satisfaction underscores the value of matching policies and practices for the realization of empowerment.
Empowered Female Employees Are One of the Competitive Advantages

Female employees perceive empowerment more favorably and make considerable contributions in service industries. Previous studies regarding female employees have shown that women outperform men in resolving conflicts, adapting to change, developing their own capabilities, encouraging participation, sharing power and information, and enhancing other people’s self-worth (Marlow, Marlow, & Arnold, 1995; Moskal, 1997). Industries that require a positive customer service attitude and strong relational and interpersonal abilities on the part of their employees can find ways to tap the valuable resources women tend to embody. However, a key element is providing female employees with the opportunities to perform, as in the case of the insurance industry in Taiwan. Harris (1993) and Lu (1993) commented that because of traditional occupational segregation and career choices, women seldom find themselves in key positions, a situation that limits their contribution. With a more enlightened use of women’s inherent strengths, they can add to the competitive advantage of an organization.

Empowerment May Serve as a Valid Tool to Retain Employees

In an era of increased competition for qualified human resources, retention is becoming a central concern for organizations. The literature reveals that employees with 2-5 years of work experience need opportunities for exposure and advancement (Baird & Kram, 1983). Empowerment provides such opportunities and can inspire employees to a long-term commitment to an organization. Managers should be loath to see enthusiastic new employees turn into dissatisfied employees just when they are in a position to maximize their contribution to the organizations. If management can retain the devotion of employees throughout their organizational lives by means of empowerment, especially those with 2—5 years of experience (when they are most likely to relocate), the best interests of both the organization and employees may be realized.

Design Matching Empowering Practices to Enhance Job Satisfaction

One of the gains of empowerment is improved employee attitude, such as a highly motivated staff (Lashley, 1995b; Tyson, 1994). The success of a particular initiative that claims to empower employees will be judged by the extent to which it enables the empowered to feel personally effective, able to determine outcomes, and to have a degree of control over significant aspects of their working life (Lashley, 1995b).

However, theory-espoused and theory-in-use are different things (Argyris, 1985). Empowerment in and of itself leads nowhere. Matching policies and practices that thrust empowerment into employees’ every day life need to be put into place. The proposed practices listed in Table 1 and the results of regression
analyses indicate that organizational structures and systems particularly have to be reexamined. A fertile ground for the free flow of information, effective communication, and aggressive self-learning together with the proper reward systems may facilitate the realization of empowerment and enhance job satisfaction.

**Conclusion**

Empowerment is a concept that attempts to shift employees’ working attitudes by instilling in them a genuine dedication to achieve organizational goals and attain a high quality of work life. In this study I first identified four dimensions of empowerment, namely, empowering leaders, empowering culture, empowering practices, and empowered employees. I then constructed a matrix that incorporated the four dimensions and the 7S organizational factors as a tool to investigate and deploy the elements of empowerment in a comprehensive fashion. The model and the matrix proposed are an attempt to provide encompassing guidelines in transferring a philosophical concept into operational guidelines.

In addition, in this study I empirically tested the hypotheses that group and organizational variables account for more variance in empowerment than do the individual variables. The following are the major findings of the hypotheses tested:

1. Age, supervisor and nonsupervisor, and educational background did not have a significant effect on the perception of empowerment.
2. Female employees rated empowering culture and empowering practices more favorably than did the male employees.
3. Employees with less than 1 year tenure rated empowered employees more favorably than those with 2—5 years experience.
4. Employees of a local insurance company rated “empowerment culture” the lowest, and employees of a foreign-owned yet fully localized company rated “empowered employees” most favorably.
5. In sequence, empowering practices, empowered employees, and empowering culture significantly explained the variance in job satisfaction.

These findings revealed three interesting areas for further research. First, although employees of foreign and local companies have significant differences in the perceptions of empowered employees, their job satisfaction needs are similar. Is it that different types of companies require different degrees of empowerment? Second, an investigation of the relationship between empowerment and overall organizational performance may prove enlightening. Third, if the target of study was changed to a male-dominated service industry, what would be the outcome?

Empowerment should be the major human resource goal for the new millennium (Nadler, 1999). In entering a new century that will doubtlessly be characterized by hypercompetition, organizations must rely on committed and competent employees who are receptive to the concept of continuous learning to
maintain competitive advantages. With a rather high percentage of failure of managerial fads, organizations should look within to instill employee dedication and to explore the potential that can be attained through their empowerment.

REFERENCES


Foster-Fishman, P. G., & Keys, C. B. (1995). The inserted pyramid: How a well meaning attempt to initiate employee empowerment ran afoul of the culture of a


APPENDIX
Empowerment Questionnaire

Indicate your position regarding each statement by circling the number which is closest to your view on a 6-point scale, 1=strongly disagree and 6=strongly agree. In this questionnaire, “superior” means the leader of your department.

1. My superior consistently pursues excellence.
2. An important value of our company is human-centeredness.
3. The leaders of our company project a clear vision.
4. My superior always clearly indicates the specific goal of our department.
5. My superior is a good role model.
7. My superior is concerned with my well-being.
8. My superior knows how to effectively develop the potential of employees.
9. My superior is good at communicating.
10. In our company, superiors trust their employees.
11. In our company, superiors provide their employees with relevant support.
12. Our company is characterized by department-wide involvement in carrying out tasks.
13. In our company, calculated risk taking is encouraged.
14. Self-directed work teams are prevalent throughout our company.
15. The administrative chain-of-command in our company is too complex.
16. In our company, power is fairly distributed. Even the lowest levels have some degree of autonomy.
17. We can decide for ourselves what is the best way to do our own work.
18. We can obtain work-related information upon request.
19. There is a free flow of work-related information.
20. Employees are periodically informed of the future direction of the organization as well as its overall performance.
21. Employees receive appropriate rewards for their innovations and outstanding performance.
22. In our company, departments periodically check whether a consensus has been reached in terms of specific organizational goals.
23. Our company invests time and money in employee development on a continuous basis.
24. In our company, employee training and development include the enhancement of peripheral skills as well as core techniques.
25. Self-learning is promoted in our company.
26. En our department, we do not require supervision. We have become accustomed to self-management.
27. Our department has a sense of team spirit.
28. In our department, each and everyone is capable of solving his/her own
29. Our department is characterized by effective communication.
30. In our department, everyone is competent.
31. In our department, everyone is goal oriented.
32. In our department, we are all proud to work for this company.
33. In our department, everyone is committed to life-long learning.

**Job Satisfaction**

1. I experience skill variety in my work.
2. My work is important to my company.
3. I participate in work-related decision making most of the time.
4. I am well respected in my company.
5. I am very satisfied with my present job.

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