EMPOWERMENT EFFECTS ACROSS CULTURES

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Doctor of Philosophy

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ABSTRACT

Empowering a front-line employee plays a critical role in the short and long term success of a service firm, and has thus received substantial interest from academics and practitioners alike, since the 1980s. Service research has examined the role of the front-line service employee in some depth, defining a number of key attitudinal and behavioural responses which may enhance the ability of the employee to focus on the needs of the customer. Although empowerment is a recommended strategy of achieving these responses, it still remains ill-defined and its consequences lack clarity both in marketing and management literature. Despite this uncertainty, it is evident that empowerment is in widespread use as a management tool in international organisations. This study represents the first attempt to address the aforementioned research gap, by reporting on the conceptual development of an instrument designed to measure empowerment effects across cultures.

A comprehensive literature review identified that empowerment exists as two distinct constructs and thus the conflicting consequences evident in the literature may be attributable to these different conceptualisations. The two constructs identified were termed; relational empowerment and psychological empowerment. Building on this delineation, existing literature was used to develop a conceptual model of the antecedents and consequences of the two empowerment constructs. Furthermore, the impact of national culture was considered, resulting in a set of testable hypotheses concerning the cross-cultural differences in the relationships between empowerment and its antecedents and consequences. A quantitative study was undertaken to test the hypothesised conceptual model. Data were collected from India and the UK, via drop-off self-administered surveys from front-line employees of both an indigenous and multinational bank in the two cultures, achieving a total of 626 fully usable responses across the four samples. Rigorous scale development for all samples was undertaken, and measurement invariance examined.

Following this, the conceptual model was tested using latent variable path analysis. The results for the model were both encouraging and surprising. Similar results regarding the effects of relational empowerment and psychological empowerment were found across the two cultures. However, an examination of the antecedents to relational empowerment produced significantly different results across the cultures. Relational empowerment was

found to have higher practical value as it had a significant positive effect on employee job satisfaction levels across both cultures. The findings, theoretical and managerial implications, limitations and directions for future research are discussed.

In loving memory of my

Nani-ji

For my family Dad, Ma, Amit & Monika

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1   INTRODUCTION

This chapter is divided into two sections. The first provides an overview of the driving force behind this study and highlights gaps in previous literature. This section includes the objectives of the study and ends by noting the relevant strands of literature drawn upon to conceive this study. The second section provides an outline of the structure of the thesis.

1.1   Internal Marketing

An integral element of service management is internal marketing (Berry, 1981; George, 1990; Grönroos, 1994). The concept of internal marketing has probed the idea of regarding an organisation's jobs as internal products and the employees as internal customers of these (Sasser & Arbeit, 1976). In other words, this concept implies that a similar exchange relationship occurs between an employee and his job as with a product/service and a customer, and so logically the same marketing principles may be used to govern both of these internal and external exchanges. Hence, quite often marketing principles are applied to the employees of the organisation who actually serve the customers (Varoglu & Eser, 2006), i.e. front-line employees. It is therefore paramount for organisations to focus their attention on understanding the wants and needs of their employees, so that a suitable internal programme can be adopted aimed at employees, complementing the existing external marketing programme aimed at customers (Gummesson, 1987). Simply put, this logic suggests that internal marketing is a prerequisite to successful external marketing (Grönroos, 1994).

1.1.1   Empowerment

Intertwined with an organisation's internal marketing concept is the notion of empowerment. Empowerment refers to a situation in which managers are prepared to relinquish their control to give service providers the discretion to make job-related decisions on a day-to-day basis (Bowen & Lawler, 1992). Many authors imply that internal marketing programmes require a significant amount of empowerment (Berry *et al*, 1976; Varey & Lewis, 1999; Rafiq & Ahmed, 2000). Empowerment adds value to an employee's job as it allows them the flexibility and discretion to manage relationships with their customers. If empowerment levels are restrained this can result in unhappy and dissatisfied employees (Harris & Ogbonna, 2000). Conversely, empowering employees can create some desirable attitudinal and behavioural outcomes, such as increases in self-efficacy. This was theoretically identified by Conger & Kanungo (1988) and supported empirically by many researchers (e.g. Hartline & Ferrell, 1996; Chebat & Kollias, 2000). These favourable responses to empowerment have led researchers to agree that empowerment is an integral component of internal marketing programmes (Varey & Lewis, 1999).

1.1.2   Empowerment in Literature

However, despite the growing popularity of empowering front-line employees over the last two decades, empowerment still remains ill-defined and its consequences still lack clarity both in marketing and management literature (Fock *et al*, 2002). Argyris (1998) attributes this to the hardship of implementing empowerment into practice. He argues that although the theory of empowerment is greatly understood by practitioners it is very difficult for managers to 'let go' of their control and pass it on to their

subordinates. Hence, Argyris (1998) concludes that full empowerment of employees is still an illusion. Thus owing to the widespread use of empowerment as a management practice and the multitude of researchers that have reported inconsistent effects of empowerment, further research to explain the conflicting views becomes necessary.

However, whilst reviewing the existing empowerment literature it seems plausible that the conflicting views are attributable to the different conceptualisations of empowerment that are adopted by different researchers in their respective studies. Researchers tend to focus on only a single aspect of empowerment and this may be inadequate to explain the multitude of effects it may have in the workplace. Almost two decades ago Conger & Kanungo (1988) highlighted two aspects of empowerment; a relational construct and as a psychological construct. However, empirical studies have not considered both aspects simultaneously, thus leading to conflicting views. In other words, it is still unknown whether the positive and possible negative effects are due to relational empowerment, psychological empowerment, or both of these aspects combined together. Thus, a study incorporating both aspects of empowerment becomes further necessary to explain the conflicting views (see for example Fock *et al*, 2002; Hui *et al*, 2004). This is especially true for service managers so that they can develop suitable implementation programmes to maximise the potential benefits of empowerment.

Of further concern is the prevalent use of empowerment by international service managers in their foreign counterparts. There has been much debate over the last three decades as to whether management practices need to be modified when transferred

across to foreign subsidiaries or adopted by indigenous organisations. For multinational corporations (MNC's) the question remains as to whether management practices should be based on the parents' organisational culture or on the host country's national culture. Geppert *et al*, (2003) argue that national culture has a dominant influence on a MNC despite there being a strong global conformity in MNC's. Thus, a cross-cultural study incorporating indigenous and multinational organisations is deemed necessary to aid in an appropriate implementation programme for empowerment.

Despite this uncertainty the widespread use of empowerment is still being exercised by international practitioners. The ideology of empowerment and its positive effects on job behaviour have led to many international organisations employing it as a managerial tool without enough consideration to the impact culture may have on empowerment (Shipper & Manz, 1992; Randolph & Sashkin, 2002). Hofstede (1993) emphasises the importance of culture reporting that universal management theories do not exist and thus cannot be operationalised. This can be further supported with particular reference to empowerment. As empowerment (from a managerial perspective) largely involves autonomy and the sharing of authority, logic suggests that cultures where a hierarchical management structure exists empowering the 'powerless' (i.e. front-line employees) would cause great role stress and confusion and inadvertently affect job behaviour. Thus, power distance (Hofstede, 1980), or the degree to which people accept and expect differences in authority, seems to be a distinct cultural factor that can influence empowerment practices across cultures.

On the other hand, looking at empowerment from a psychological perspective, it seems reasonable to assume that as psychological empowerment does not directly involve autonomy, sharing authority or taking on responsibility *per se* it seems less likely that power distance will have an effect on it. In other words, the operationalisation of relational empowerment will largely depend on an individual's preference to be in control and to have authority which will primarily stem from the individual's culture (Trompenaars, 1997). However, as psychological empowerment is more to do with ones intrinsic motivation, control and feeling of self-efficacy (Spreitzer, 1996) which is likely to be shaped by ones work environment (Spreitzer, 1995) its effect on job behaviour is more likely to be universal rather than culture specific. Thus, it follows that the effect of psychological empowerment on attitudinal responses (for example job satisfaction) is less likely to vary across national cultures (Hui *et al*, 2004).

1.1.3 Research Objectives

The objectives of the present study are four-fold, and follow on from the previous discussion. Primarily, the objectives are focused on relational and psychological empowerment amongst front-line service employees and their substantive consequences across different cultures. More specifically, the objectives of this study are:

1) To identify if relational empowerment and psychological empowerment reflect the same construct or indeed need to be studied separately

2) If they are different, then to identify which is more relevant for service managers to consider when implementing empowerment programmes to gain maximum benefit

3) To identify if empowerment can be implemented across cultures to achieve the same (positive) effects.

4) To investigate the influence of national culture on the effects of empowerment in two subsidiaries of a multinational organisation (i.e. to determine whether congruence with the cultural value of the host country dominates management practices in multinational organisations)

The achievement of these four objectives is important for a number of reasons, and together they form the anticipated contribution of the thesis. More specifically, achievement of objective one will contribute to marketing, psychology and management literature by examining and refining the conceptualisation of empowerment. Objective one's achievement is important since, without a more clear-cut conceptualisation of empowerment pertaining to front-line service employees, it is difficult for researchers and practitioners to even speculate as to its benefits in (for example) increasing job satisfaction. Similarly, achievement of objective two will contribute to marketing, psychology and management literature by clarifying the consequences of empowerment both from the relational and psychological aspects and/or its simultaneous effects (depending on the findings from objective one).

A third major contribution of the present study is the investigation of relational and psychological empowerment across national cultures. This is imperative as empowerment has become an increasingly common management practice worldwide and is still being utilised without adequate knowledge relating to its associated consequences. Moreover, achievement of this objective will create awareness for practitioners (such as international service managers) on the diversified impact of

empowerment on front-line service employees who are under the influence of different cultural values.

Achieving objective four should provide knowledge as to the importance and relevance of national culture in the effects of empowerment. This is important for researchers, particularly organisational researchers, due to the internationalisation of service multinationals, primarily because some of the basic elements in facilitating organisational change (such as implementing empowerment) are not properly dealt with (Venard, 2002). This highlights an important gap between research and practise.

The achievement of objective four will help multinational service managers to decide whether a multinational subsidiary should implement empowerment on the basis of its own (i.e. organisational) culture or whether it should adapt to the national culture of its host country. This will provide major benefits for multinational organisations who have existing subsidiaries or who aim to open subsidiaries across different cultures. Multinational service managers will be in a better position to decide how best to effectively implement empowerment across all of their subsidiaries.

The most significant practical benefits to be gained by the successful undertaking of the present study is the potential to advise service managers of the benefits of both relational and psychological empowerment pertaining to front-line service employees and to advise them which of the two empowerment conceptualisations is more relevant to their workplace and how it helps to empower their front-line employees in practice. Thirdly, is the prospect of guiding international/multinational service managers how to effectively operationalise empowerment across different cultures.

As discussed earlier, previous research has produced many conflicting views regarding empowerment and its associated consequences (Bowen & Lawler, 1992; Hartline & Ferrell, 1996; Fock *et al*, 2002) and the absence of empirical research on the different conceptualisations of empowerment seems to be the root cause of this conflict. Therefore the distinct conceptualisations of empowerment as a relational and psychological construct in the present study will provide advice and guidance to researchers and practitioners on the effective operationalisation of empowerment relevant to their functions.

1.1.4   Relevant Literature

The literature review provides an important foundation for understanding the existence of empowerment conceptualised from a relational and a psychological perspective, depending on the researcher. The literature also highlights where and how empowerment is created in an organisation and by whom. This is further examined in the context of national culture. The domain of the research focuses on the empowerment and customer orientation of front-line service employees, drawing on several strands of literature. In particular services marketing, internal marketing and international (marketing) theory are examined whilst some emphasis is given to management, human resources and psychology literature. Services marketing theory highlights the relationship between employee satisfaction and customer satisfaction which is also indicated in the internal marketing theory (Halliday, 2002). The international literature focuses on the effects of empowerment across national cultures and links it with the marketing and psychology theory. The management and human resources literature describe more the antecedents, consequences and implementation

of empowerment and consequently much of this in integrated within the marketing literature.

1.2   An Outline of the Thesis' Structure

The thesis is structured into 6 chapters, including the present one. Chapter 2 focuses on assessing the relevant conceptual and empirical literature regarding empowerment and its associated consequences. Additionally pertinent cultural frameworks from academic literature and research are highlighted and together the different strands of literature are synthesised to develop a conceptual model of the consequences of relational and psychological empowerment. At this stage, formal hypotheses regarding the service-specific consequences of empowerment pertaining to front-line employees are presented for future testing.

Chapter 3 describes in detail the methodology used to quantitatively investigate the conceptual model detailed in chapter 2. Operationalisations for all variables under investigation are provided, and the design of the measuring instrument (i.e. a questionnaire) for the constructs is described. Included are the cross-cultural factors that needed to be considered before designing and administering the questionnaire. Next, the administration of a two-stage pilot study is described, followed by the resultant modifications made to the measuring instrument. Subsequently, the main survey administration is detailed, including the sampling procedure, data collection and response rates. Finally, missing data techniques are outlined and discussed.

In Chapter 4, the analysis of the quantitative data is begun. Initially the results of a descriptive analysis of the response to the survey is presented for each sample of data

collected. Relevant graphical displays are also presented to detail the characteristics of the organisations and individuals who responded to the survey. Following this, all of the measures were subjected to scale testing and refinement to verify their properties for the purposes of the present study. This was done through the use of exploratory and confirmatory factor analyses. Next the measures were also assessed for their reliability and validity, to enable their inclusion in the subsequent model testing process.

Chapter 5 presents the results of the model testing procedure. Initially, the statistical analysis applied is described in detail, i.e. latent variable path analysis. Following this the specifics of the model testing procedure are discussed (i.e. multigroup analysis for the indigenous samples). Next, the individual hypothesis test results are reported and where relevant compared.

Chapter 6 concludes the thesis by synthesising the relevant findings outlined in chapters 4 and 5. More specifically, the significance of the findings to existing theory and methods is discussed in depth. Subsequently, the managerial implications are noted for both indigenous and international/multinational service managers and marketers, and several practical recommendations regarding the effective operationalisation of empowerment pertaining to front-line service employees are specified. Finally, the limitations of the study are outlined, followed by several suggestions for future research.

2   LITERATURE REVIEW

This chapter is divided into three main sections. The first section seeks to define the context of the study.   This section defines national culture and critiques the (empirically based) cultural frameworks that are available today to conduct cross-cultural studies. Following the critique of cultural frameworks, Hofstede's (1980; 1991) framework was chosen for the purposes of this study. The second section examines the empowerment construct and highlights the issues prevalent with its conceptualisation. This section also highlights methodological issues surrounding empowerment with respect to national culture. The final section discusses the operationalisation of empowerment within an organisation. Consequently the section begins by outlining the prerequisites necessary for empowerment to be received by service employees, noted here as training, rewards and information sharing. Next, job satisfaction and role stress are discussed and the section finishes by discussing the desirable organisational outcome of customer orientation. This chapter will conclude by summarising the implications of this study and presenting an initial conceptual framework.

2.1   The Research Context

The following section outlines the research context for this study.   Initially the importance of service organisations and employees will be discussed. This will be followed by a brief summary of the importance of an internal marketing technique such as empowerment in the workplace.   Finally, empowerment will be framed in a cross-cultural context.

2.1.1   Service Organisations & Service Employees

The growth of the services industry has dramatically increased over the recent years.

For example, in 1999 services were reported to account for one-fifth of world trade

(Stauss & Mang, 1999) and by 2000 this figure had increased by five per cent

(Winsted, 2000).   Further, according to World Bank figures from 2002 services

accounted for almost two-thirds of world trade (Malhotra *et al*, 2005). That is nearly a

forty per cent increase from the year 2000. Owing to this huge growth in the service

industry there is an increasing trend towards internationalisation of services (Grönroos,

1999; Smith & Reynolds, 2000).

Subsequently, it seems logical that to sustain this growth, management of service

organisations need to focus their attentions on continuing to offer their customers

superior service to at least match if not exceed their expectations of service quality.

Typically, a service organisation depends on the performance of their front-line

employees (Chebat *et al*, 2002) as often they are the first, and sometimes the only

representative of the organisation whom customers encounter (Hartline *et al*, 2000).

Consequently, customers tend to base their perceptions of the organisation largely on

the service received from front-line employees (Bitner, 1990). Thus, the performance

of the front-line employee is paramount in the service delivery process and it becomes

imperative for the employee to focus on the needs of customers (Kelley, 1992).

However, service managers are challenged to create a setting where their front-line

employees want to identify the needs of the customer and want to serve the customer

to the best of their abilities (Chebat *et al*, 2002).

One method of achieving a customer-focused setting is through customer orientation (Kohli & Jaworski, 1990; Brady & Cronin, 2001). Customer oriented organisations focus on anticipating and responding to the developing needs of customers prior to the service delivery process (Brady & Cronin, 2001). Front-line employees are a valuable way for organisations to achieve this orientation as they are at the forefront of the organisation and are in direct contact with the customers. Consequently, front-line employees can act as information gatherers for the organisation (Bitner, 1990) as they become the most aware of changing customer needs and demands and hence are able to deliver a service in accordance to these variations.

However, service managers are left struggling with the challenge of making their front-line employees customer oriented. Previous research has noted that customer orientation is positively associated with higher levels of employee job satisfaction (Hoffman & Ingram, 1992; Pettijohn *et al*, 2002; Donovan *et al*, 2004). In other words, if employees are satisfied they will be more inclined to satisfy their customers. Thus, service managers need to keep their employees happy by focusing on what they want and need. This can be achieved through internal marketing (Sasser & Arbeit, 1976).

2.1.2 Internal Marketing

The concept of internal marketing has probed the idea of regarding an organisation's jobs as internal products and the employees as internal customers of these (Sasser & Arbeit, 1976). In other words, this concept implies that a similar exchange relationship occurs between an employee and his job as with a product/service and a customer. It seems plausible then that the same marketing principles may be used to govern both

these internal and external exchanges. Hence, quite often marketing principles are applied to the employees of the organisation who actually serve the customers (Varoglu & Eser, 2006), i.e. front-line employees. In order to apply these principles service managers need to be aware of what their employees want and need, so that a suitable internal programme can be adopted aimed at employees, complementing the existing external marketing programme aimed at customers (Gummesson, 1987). Simply put, this logic suggests that internal marketing is a prerequisite to successful external marketing (Grönroos, 1994) and that happy employees lead to happy customers (Lings and Greenley, 2001).

Intertwined with an organisation's internal marketing concept is the notion of empowerment. Many authors imply that internal marketing programmes require a significant amount of empowerment (Berry *et al*, 1976; Varey & Lewis, 1999; Rafiq & Ahmed, 2000). Empowerment adds value to an employee's job as it allows them the flexibility and discretion to manage relationships with their customers. If empowerment levels are restrained this can result in unhappy and dissatisfied employees (Harris & Ogbonna, 2000). Conversely, empowering employees can create some desirable attitudinal and behavioural outcomes, such as increases in self-efficacy (Conger & Kanungo, 1988; Hartline & Ferrell, 1996; Chebat & Kollias, 2000). These favourable responses to empowerment have led researchers to agree that empowerment is an integral component of internal marketing programmes (Varey & Lewis, 1999).

However, of growing concern is the prevalent use of management practices, such as empowerment, across different cultures (Argyris, 1998; Eylon & Au, 1999; Robert *et al*, 2000; Hui *et al*, 2004). The ideology of empowerment is so enticing that many

managers employ this practice worldwide without considering the limitations that national culture may have (Fock *et al*, 2002; Hui *et al*, 2004).

As relational empowerment is a practice developed in North America (Gandz & Bird, 1996; Eylon & Au, 1999) and considering cultural values shape interpretation and consequently may assist or hinder adoption and operationalisation of management practices (Nakata & Kumar, 2001), it is reasonable to assume that the latter may apply if relational empowerment is implemented in a different culture to North America. Thus, it becomes vital for managers to consider cultural differences as ignoring these or failing to realise that they exist, can lead to the serious mismanagement of employees potentially leading to negative job behaviour (Hoecklin, 1995).

Consequently, before discussing empowerment the following sections will discuss culture and the alternative frameworks that are available to measure the role that culture may have when employing practices like empowerment.

2.1.3   National Culture

Managerial practices (e.g. empowerment) are predominantly developed in Western cultures (e.g. North America) (Bae & Lawler, 2000) and the success of them often causes managers to employ them in their organisations without considering disparities in culture. However, present times are acknowledging the increasing importance of culture when employing these managerial practices, as cultural variations are thought to moderate the effect between such practices and organisational effectiveness (Hofstede, 1991). So, accounting for culture facilitates the attempt at adaptation to ones environment as it allows practices to be shared for survival (Triandis, 1995).

Simply put, it is unreasonable to assume that what exists in one culture will apply to another, so managerial practices should not be transferred across cultures without any modifications. This is supported by Hofstede's (1980) pioneering research who agrees that universal management solutions do not exist. Furthermore, there is a general consensus amongst researchers that variations in culture tend to account for the success or failure of managerial practices (Schein, 1985; Shipper & Manz, 1992; Hofstede, 1993; Robert *et al*, 2000) confirming the need for managers to be cautious before employing any managerial practice. Subsequently, the concept of national culture is widely used in international management and marketing, organisation behaviour and human resources literature to measure the effects that can differentiate between countries and individuals (Kuchinke, 1999).

Despite the widespread use of national culture, it is extremely hard to assign a single definition to it as there have been multiple definitions from several fields. As far back as 1871 Tylor described culture as a "complex whole which includes knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits acquired by man as a member of society". In 1952 Kroeber & Kluckhohn reported that there were one hundred and sixty four different definitions of culture and since then researchers have continued to define culture in various ways. Thus it becomes obvious that culture does not have a single agreed definition *per se*, albeit many definitions tend to reflect ones patterns of thinking, feeling and acting which are embedded in common values, beliefs and norms prevalent in society (Hall, 1976; Hofstede, 1980; Kroeber & Kluckhohn, 1985; Trompenaars, 1993; Schwartz, 1994; Triandis, 1994). Despite the various definitions, many authors report that the underlying premise of culture emphasises 'values' as the building block (Hofstede, 1980). Values are instilled early

in life and help to mould a person's sense of logic and rationality as values help a person realise what the actually need and what they think they need, i.e. the desired and the desirable (Hofstede, 1980).

Hofstede (2001) simplifies Kluckhohn's (1951) definition of a value reporting that "a value is a broad tendency to prefer certain states of affairs over others". In a broad sense, a set of values helps a person determine what is good from bad as they tend to be feelings with positive and negative poles, for example clean versus dirty or beautiful versus ugly (Hofstede, 2001). As values are feelings with positive and negative poles, they would vary in intensity and direction (Hofstede, 2001). For example, if a person 'holds' a value, it is obvious that it shares some relevance with them (i.e. intensity) and if this value can be identified as good or bad, the value instinctively has direction (Hofstede, 2001).   However, as they are instilled early in lives through parents, teachers, society etc, they become a person's subjective definition of reality (Hofstede, 2001). Thus, peoples' values are likely to vary in intensity and direction across national cultures, for example, what one person deems ugly another may deem beautiful.

Owing to this somewhat broad concept many researchers model culture assuming that the values and patterns in society vary along a continuum of cultural dimensions (Robert *et al*, 2000) rather than just one. Many dimensions of culture have been identified (Hall, 1976; Hofstede, 1980, 1991; Riddle, 1986; Trompenaars, 1993; Schwartz, 1994) based on the fundamental issues faced by society, for example inequality in communities and gender discrimination. These dimensions serve to provide a useful basis in linking management practices with culture as they provide a

structure by which both can be evaluated (Kirkman & Shapiro, 1997). This suggests that for the practice to be considered a success there needs to be congruence between the values inherent in a managerial practice and the values inherent in those who are being managed (Robert *et al*, 2000), i.e. between empowerment and the service employee.

2.1.3.1 *Classifications of National Cultures*

Hofstede's (1980) pioneering research has become the most recognised study on the dimensions of national culture, which he (arguably) developed based on Kluckhohn's (1962) recommendations. Kluckhohn advised that each dimension should be independent of another and should be empirically verifiable. Although many other researchers such as Hall (1976) presented distinct dimensions of culture they were theory rather than empirically based. Hofstede (1980) conducted his research among matched samples of business employees in IBM across more than fifty different countries. This study and various follow-up studies (e.g. Hofstede, 1991) revealed five independent dimensions: power distance, uncertainty avoidance, individualism, masculinity and long-term orientation. The dimensions found reflect the basic problems that any society has to deal with but for which the solutions vary (Hofstede, 2001). Each of these dimensions were validated and tested to be independent of one another.

i)   Power distance – the extent to which members of a society accept that power in institutions and organisations is distributed unequally

ii)   Uncertainty Avoidance – the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity, which leads them to support beliefs promising certainty and to maintain institutions protecting conformity.

iii)   Individualism/Collectivism – the extent to which the interests of the individual prevail over the interests of the group within society

iv)   Masculinity – the degree to which a member of society prefers achievement, heroism, assertiveness and material success as opposed to

Femininity – the degree to which a member of society prefers relationships, modesty, caring for the weak and the quality of life[1].

(v)   Long-term Orientation – the extent to which a society exhibits a pragmatic future-oriented perspective rather than a short-term point of view.   This dimension is also known as the Confucian dynamic dimension as it reflects a dynamic, future-oriented mentality and deals with a society's search for 'virtue' (Hofstede & Bond, 1988).

However, Hofstede's (1980) research created a considerable amount of scepticism amongst researchers and many challenged his framework of national culture (Eckhardt, 2002).   Steenkamp (2001) noted three main limitations of Hofstede's framework.   Firstly, Hofstede's items refer more to work-related values and so they may not capture cultural differences amongst 'other types of people' such as consumers or students.   Secondly, country scores were based on matched samples of IBM employees who may not be wholly representative of their countries (Steenkamp, 2001).   However, Hoppe's (1990) follow-up study confirmed Hofstede's framework and was one of the first studies to do so.   Also Hofstede (2001) illustrates that his country scores "correlated highly with all kinds of other data including results obtained from representative samples of entire national populations".   Thirdly, the

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[1] NB In a masculine society it is possible for women to prefer assertiveness (for example) and in a feminine society it is possible for men to prefer modesty (for example)

masculinity/femininity dimension seems to be more time and context specific. These and other limitations have given rise to several other theories of culture.

A less well-known framework in marketing literature was developed by Schwartz (1994). Similar to Hofstede his research was conducted on a significant scale using college students and elementary school teachers in more than fifty countries. From his analysis, Schwartz (1994) identified seven different dimensions: conservatism, hierarchy, mastery, affective autonomy, intellectual autonomy, egalitarian commitment and harmony.

On closer inspection, however these dimensions share similar meaning with Hofstede's dimensions. For example conservatism and the two types of autonomy described by Schwartz are similar to the individualism/collectivism dimension where the former focuses on the role of the individual in society and examines the extent to which that individual is autonomous or embedded within a group the latter focuses on the difference between an individuals goals versus group goals (Steenkamp, 2001). Hofstede (2001) agrees that there are significant correlations between his IBM scores and Schwartz's country scores and reports that Schwartz's framework is a "different way of cutting the same pie". Nonetheless, a significant difference between the two frameworks exists. Schwartz's (1994) framework encompasses somewhat broader items compared to Hofstede's specific work-related items (Steenkamp, 2001).

An additional cultural framework that has been receiving increasing attention is by another Dutch researcher Trompenaars. Trompenaars & Hampden-Turner (1993) identified seven dimensions of culture following a comprehensive study of

approximately fifteen thousand managers across twenty eight countries. The dimensions identified are loosely based on sociological theories from the 1950s and '60s that Trompenaars applied to countries (Hofstede & Hofstede, 2005). Included in the seven was the dimension of individualism versus collectivism. The remaining six dimensions were made up of universalism versus particularism (rules and truths can be precisely defined and apply everywhere versus concentrating on personal relationships and adapting to each situation accordingly), neutral versus emotional (not displaying emotions publicly versus natural display of sentiment), specific versus diffuse (precision and getting to the point versus viewing the situation in a broader context), achievement versus ascription (what a person does versus who someone is) and attitudes to time (what a person has done versus what they plan to do) and environment (looking out for the environment versus looking out for ones self within that environment).

Trompenaars' dimensions seem to provide more relevance for society today as they reflect some of the world changes that have occurred since Hofstede's research. For example Hofstede (1980) found Mexico to be part of a collectivist culture whereas Trompenaars (1993) found Mexicans to be more individualistic from his data (Luthans *et al*, 1997). This change could be due to the changes in the Mexican government becoming increasingly democratic and also because of the boost in their economy in the early '90s (Luthans *et al*, 1997). Some could argue that the reason for this change is that Hofstede's data is from the late '60s and early '70s so it is old and obsolete.

However, Hofstede's framework has been applied widely in the management and marketing world and he even added a fifth dimension to his original work to account

for more Asian cultures in 1991 indicating his acceptance that his dimensions are by no means exhaustive. Hofstede (2001) reports that as long as any new dimensions are conceptually and statistically independent from the five dimensions already defined and can be validated with conceptually related external measures he accepts that there may be more dimensions of culture. Subsequently, his defined dimensions have been validated on numerous occasions showing no loss of validity over time (Sondergaard, 1994; Furrer *et* al, 2000; Hofstede, 2001). This can be substantiated by Sondergaard (1994) who reports a total of sixty one empirical usages of Hofstede's framework (i.e. replication studies) which largely confirmed his dimensions between new matched groups of respondents (between 1980 and 1983).

Conversely, Trompenaars (1993) framework shows no validation of his seven dimensions, instead in a book with Hampden-Turner they report that from their sample of forty-six thousand managers from more than forty countries there are at least six dimensions (Hampden-Turner & Trompenaars, 2000). The dimension excluded was attitude to the environment. Again no validation of these dimensions was shown. Hofstede (2001) reports that following analysis of Trompenaar's database two British psychologists only found two independent dimensions in the data, one corresponding to the individualism/collectivism dimension and the other with the power distance dimension.

2.1.3.2   Cultural Framework Chosen

The three frameworks noted above appear to be the most well-known (empirically based) cultural frameworks available today. Trompenaars' (1993) framework appears to lack validation and although Schwartz's (1994) framework overlaps conceptually with Hofstede's, it is yet to be applied outside of the psychology literature. On the other hand, Hofstede's (1980; 1991) framework is by far the most influential (especially in resolving marketing issues) (Steenkamp, 2001) despite the criticisms it has received over the years. This is mainly due to both the scope of his study and the extensive validation it is has received since. This is further substantiated by Sivakumar & Nakata (2001) who report that since the release of Hofstede's (1980) work it has been cited 1,101 times between 1987 to 1997 and has been applied across a number of areas and disciplines.

Additionally as Hofstede's framework focuses on work-related values and this study is examining the effects of empowerment across cultures amongst service employees, his dimensions seem more relevant. Consequently, this study will employ the relevant dimensions of Hofstede's framework. In order to determine which dimensions are necessary to include for the purposes of this study the following section will discuss cultural constraints in management practices such as empowerment.

2.1.3.3   Cultural Constraints in Management Practices

Increasing globalisation and internationalisation has led to the downfall of many businesses and much of this is due to Western ideologies and practices being transferred across to countries with different cultures without any necessary

modifications being made (Gopalan & Stahl, 1998). This is true for both indigenous organisations and multinational corporations (MNC's). Indigenous organisations seek the same success as their rivals and consequently try and adopt their management practices and philosophies (Luthans *et al*, 1997; Gopalan & Stahl, 1998). As management practices tend to be culture specific (Hofstede, 1980) indigenous organisations will not benefit if their culture does not fit with that of the management practice. Hence some modification to the practice will be necessary. For example, in a high power distance culture empowerment may be received better if introduced slowly, to avoid rejection at the outset otherwise it may prove to be counterproductive. However, besides this MNC's have other issues to consider. Consequently, cultural diversity in management practices worldwide, has been receiving a great deal of attention in management literature over the last few decades (Hofstede, 1994).

The increase in globalisation has led to many MNC's gradually opening up subsidiaries in several host nations worldwide (Bardhan & Patwardhan, 2004) particularly in developing countries contributing to significant growths in the host's economy (Lawler & Bae, 1998). However, one major issue faced by these subsidiaries is how to manage their employees (Bartlett *et al*, 2002). It is unclear whether the subsidiaries should attempt to maintain internal consistency within their organisation, adapt to their local environment or uphold some other global standard (Rosenzweig & Nohria, 1994).

Rosenzweig & Nohria (1994) report that MNC's have three options: to become ethnocentric, polycentric or global. Ethnocentric implies that the MNC should adopt all management practices inherent from the MNC's home country and thus maintain

internal consistency within the organisation worldwide, i.e. they are tightly bound to home-country practices. Polycentric implies that the MNC should adapt to its local environment and employ indigenous management practices. Finally a global MNC implies that the MNC should conform to a worldwide standard.

Gopalan & Stahl (1998) report three very similar approaches (differing mainly in terminology) that MNC's can adopt based on the theory of scholars such as Weber and Hofstede: divergence, convergence and cross-vergence. Convergence, reported to be the first school of thought (Gopalan & Stahl, 1998), believes that the increasing internationalisation will cause individuals to think alike and so soon national culture will no longer affect management practices as managers will share common global values. Thus the convergence theory shares a similar philosophy to a global MNC. Divergence on the other hand, believes that national culture will be the principal factor affecting managers' beliefs and values and so management practices should adapt according to the culture of their host country. This is similar to the philosophy of a polycentric MNC. Finally cross-vergence believes that management practices should be a combination of ideas from the MNC's home country in addition to the ideas of the host country, thus gaining benefit from both cultures. This theory is a combination of a polycentric and ethnocentric MNC.

The question remains whether a management practice developed in a predominantly Western culture (e.g. one low in power distance, high in individualism[2]) can be transferred universally and still be just as effective. Empowerment is one such practice that many managers seek to employ as it has been accepted as an effective method of

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[2] This is a generalisation and by no means true of all Western cultures

increasing job satisfaction and customer orientation (Mohr-Jackson, 1991; Bowen & Lawler, 1992; Spreitzer, 1995; Harris & Ogbonna, 2001). However, as empowerment is a Western ideology it seems somewhat optimistic to assume these benefits will be maintained worldwide. For example, as empowerment involves discretion, autonomy and spontaneous decision-making it is more likely to be effective in a low power distance culture. Kirkman & Shapiro (1997) support this as they argue that in high power distance cultures employees may resist empowerment as it may disrupt strongly entrenched social relationships. In other words, employees from high power distance cultures are not accustomed to making decisions without asking their managers as a hierarchical management system exists.

However, the answer is not straightforward. MNC's are under immense pressure for maintaining internal consistency and adapting to their local environment (Rosenzweig & Nohria, 1994). The matter that needs resolving now is what do MNC's comply with: internal consistency or local adaptation? Bartlett *et al* (2002) report that MNC's desire a level of consistency when applying management practices despite the problems which may result. Maintaining consistency enables the parent to evaluate the overall performance of its subsidiaries with ease and retain some form of control. Furthermore consistency is beneficial if employees wish to transfer to a subsidiary (Rosenzweig & Nohria, 1994). This will promote a form of equality as all policies and benefits will be the same.

Nonetheless, maintaining consistency may not be in the control of the MNC as it may need to adhere to the laws and regulations of the host country (Rosenzweig & Nohria, 1994). Thus, the MNC would need to adapt to its local environment. An MNC

would also have to adapt to its local environment to 'fit in' with their local competitors and be on par with them, otherwise they may face resistance (from employees and customers alike) and even failure. So, where consistency is desirable it may not always be practical. Thus, these cultural differences may act as a barrier to the transfer of management practices (Sturdy, 2004). However, in order to overcome these barriers MNC's are more willing to invest in training and development activities and also possess the resources needed to implement their management practices (Bartlett *et al*, 2002). For example, an MNC could send an expatriate from one of its successful subsidiaries to impart knowledge and expertise to the employees of the foreign subsidiary (Jones, 2002).

In light of the above, this study will incorporate a comparison between multinational subsidiaries and indigenous organisations from different cultures. As MNC's prefer to maintain internal consistency (Rosenzweig & Nohria, 1994; Bartlett *et al*, 2002) it is reasonable to assume that a management practice such as empowerment will yield similar effects across its subsidiaries. This assumption is based on the understanding that the 'parent' philosophy will be the dominant force in shaping employees' values in its foreign subsidiaries, rather than national culture. Alternatively the effects in indigenous firms across different cultures are likely to differ substantially following the implementation of empowerment. This is based on the assumption that the indigenous firms do not have the support of a parent company which can "educate" them regarding the adaptation of management practices like empowerment (Bartlett *et al*, 2002). Thus, it seems logical to suggest that indigenous firms are more bound by culture than their multinational counterparts.

Consequently the following section will discuss empowerment in relation to Hofstede's cultural framework.

2.1.3.4   Empowerment and Culture

As empowerment largely involves the autonomy and the sharing of authority, logic suggests that cultures where a hierarchical management structure exists empowering the 'powerless' (i.e. front-line employees) would cause great role stress, confusion and dissatisfaction with respect to their jobs. Thus, power distance (Hofstede, 1980, 2001; Eylon & Au, 1999; Hui *et al*, 2004), or the degree to which people accept and expect differences in authority, seems to be the single and most significant cultural factor that can influence empowerment practices across cultures.

Nonetheless, the few empirical studies that have tested the moderating effect of power distance between empowerment and job satisfaction have produced some conflicting results (Eylon & Au, 1999; Robert *et al*, 2000; Hui *et al*, 2004). Eylon & Au (1999) pioneered an exploratory study to examine the effects of empowerment in high and low power distance cultures. They found that when empowered the participants from both cultures were more satisfied with their jobs than when they were disempowered, i.e. suggesting that power distance did not moderate the effect between empowerment and job satisfaction.

Similarly Robert *et al* (2000) conducted a study, across four countries (USA, Mexico, Poland and India) using the dimensions of power distance and individualism to moderate the effect of empowerment on job satisfaction.   They found that empowerment only caused dissatisfaction in India which has a high power distance

culture (Hofstede, 1980), and that there was no significant relationship between empowerment and job satisfaction across the other three cultures, even though Mexico and Poland are both high power distance cultures similar to India. The authors reported that this unexpected finding may have been due to the differing levels of power distance present in these three countries. They also argued that this may have been due to the Indians preferring a hierarchical structure in contrast to their Mexican and Polish counterparts who merely tolerate it.

Thus, the two earlier studies failed to confirm the moderating effect of power distance between empowerment and job satisfaction. However, although the samples of data collected in the two studies were different, there was one similarity between the two samples. Both studies collected data from the same organisation, i.e. Robert *et al* (2000) collected data from four subsidiaries of the same company and Eylon & Au (1999) collected data from local and foreign students from the same university. Thus, the results yielded could have been due to a common 'organisational culture' rather than differences in national culture.

Conversely, Hui *et al* (2004) collected data from independent national samples in three separate studies and found that power distance does in fact moderate the relationship between empowerment and job satisfaction, i.e. in high power distance cultures the relationship was weaker. Thus, these conflicting views warrant further research incorporating not only cultures that score differently on the power distance index but also by obtaining independent national samples.

Although the conflicting views previously reported, relating to empowerment and culture can be attributed to improper research design and samples adopted, there may also be other conceptual and methodological issues (Fock *et* al, 2002; Hui *et al*, 2004) that have not yet been discussed. Therefore the following section will examine the construct of empowerment in finer detail and subsequently discuss other methodological issues such as measurement.

2.2   Examination of the Empowerment Construct

Empowerment is a complex concept and consequently has been defined in numerous ways (Quinn & Spreitzer, 1997). Early use of the empowerment construct considered it to be a management technique involving the sharing and delegation of power and control between managers and their employees (Kanter, 1983). Conger & Kanungo (1988) reported that through the sharing and delegation of power, employees are more likely to achieve their desired outcomes as they are given the flexibility and discretion to manage relationships with their customers, rather than being restricted to organisational rules and procedures. They termed this relational empowerment. Subsequent research involved adopting this conceptualisation of empowerment (see for example Hartline & Ferrell, 1996; Chebat & Kollias, 2000; Hui *et al*, 2004).

However, Conger & Kanungo (1988) realised the shortcomings of conceptualising empowerment as merely a management technique which only focused on power and control. They reported that "most management theorists have dealt with empowerment as a set of managerial techniques and have not paid sufficient attention to its nature or the processes underlying the construct". Thus, they delved deeper into the meaning of this construct and defined it in terms of a motivational process. Using the self-efficacy

work of Bandura (1986) as a platform, Conger & Kanungo (1988) considered empowerment to be an enabling process. Thus, empowerment as a motivational process focuses on enhancing the self-efficacy of employees by enabling them. Nevertheless, this increase in personal self-efficacy does not necessarily mean that employees will achieve their desired outcomes. However, Conger & Kanungo (1988) argue that this is irrelevant to the feeling of empowerment experienced by the employee. In other words the employee may still feel empowered (i.e. enabled) despite not achieving their desired outcomes, especially when their efforts to satisfy the customer are recognised by supportive managers.

In pioneering a new approach that acknowledges the key role of employee perceptions in empowerment, Thomas & Velthouse (1990) built on the work of Conger & Kanungo (1988). Thomas & Velthouse (1990) developed a psychological model of empowerment that focused on the power of organisational practices to energise or internally motivate employees rather than just enabling them. These researchers identified empowerment with a type of motivation, which they refer to as "intrinsic task motivation". They believed that this allowed employees to derive positive values directly from their job tasks. In contrast to the Conger & Kanungo (1988) model where management practices were expected to motivate employees by strengthening self-efficacy, Thomas & Velthouse (1990) emphasised that empowering management practices should promote the internal motivation of employees to their jobs so that their performance can also be assessed as important and significant.

On this basis Thomas & Velthouse (1990) argued that empowerment is in fact a multifaceted construct and that it cannot be captured solely by self-efficacy as

suggested by Conger & Kanungo (1988). Hence, Thomas & Velthouse (1990) proposed that empowerment results from a set of four task-related cognitions pertaining to an individual's task role: self-determination, meaning, competence (i.e. self-efficacy) and impact. They report that each facet is necessary for a complete empowerment experience for an employee and if one or more facet is missing, this will reduce the overall feeling of empowerment.

Meaning: A sense of meaning in relation to assessing specific tasks was adapted from the term used more globally by Hackman & Oldham (1980). Spreitzer *et al* (1997) described it as "the engine of empowerment". This dimension is essential to energise employees about their work/job-related tasks and put their hearts into their jobs (Thomas & Velthouse, 1990), with each of the other dimensions adding an additional unique element of the construct. It requires employees' to value the purpose of the task and care about it. Further as meaning is "judged in relation to a person's own ideals or standards" (Thomas & Velthouse, 1990), it entails a fit between the requirements of a work role and an employee's personal beliefs, values and behaviours (Spreitzer, 1996). In other words, if employees' work activities conflict with their value system, they are unable to feel empowered (Spreitzer *et al*, 1997). Higher levels of meaning in work duties are also believed to result in positive affective work outcome for employees, such as satisfaction, commitment and involvement (Thomas & Velthouse, 1990).

Competence: The dimension of competence refers to self-efficacy specific to work and is a belief that one feels capable of performing work activities with skill (Gist, 1987). Competence or self-efficacy (Spreitzer, 1995) is based on personal mastery or effort-

performance expectancy theory (Bandura, 1989) and is a contributing factor in models of empowerment (Thomas & Velthouse, 1990; Spreitzer, 1995; 1996). Bandura (1977) observed that low self efficacy leads people to avoid situations that require relevant skills. This avoidance behaviour then tends to prevent an individual from confronting fears, building competencies and improving perceived competence.

Self-determination: Where competence links mastery to behaviour, the assessment of self-determination refers to a sense of choice that employees believe they have in initiating and regulating their own work behaviour (Deci *et al*, 1989; Spreitzer, 1996). Self-determination reflects autonomy (Bell & Staw, 1989). Employees who consider they have control over their own work behaviour, and are in a position to make decisions about work methods, are likely to be high in self-determination and as a result more flexible, creative, resilient and self-regulated (Deci & Ryan, 1985). Alternatively, those employees who believe their behaviour is controlled by management tend to be low in self-determination and are consequently more likely to suffer tension and reduced self-esteem (Fulford & Enz, 1995).

Impact: This refers to the degree to which a staff member can influence strategic, administrative or operating outcomes at work (Spreitzer, 1996). It captures the extent to which employee behaviour is seen to impact on the organisation and make a difference by influencing organisational outcomes in a positive way (Thomas & Velthouse, 1990). Impact gives a feeling of progress and accomplishment, whereby the task is moving forward through the activities of the employee.

2.2.1   Conceptualisation of Empowerment

Following the seminal work of Conger & Kanungo (1988) and Thomas & Velthouse (1990) it is evident that empowerment exists as a psychological construct as well as a relational construct, and that there is an obvious distinction between the two. However, these two constructs are still used interchangeably (Fock *et al*, 2002; Hui *et al*, 2004) resulting in confusion regarding the conceptualisation of each aspect.

Spreitzer (1995) developed the first theory-based measure of psychological empowerment based on the facets hypothesised by Thomas & Velthouse (1990). Her research provided support for the "construct validity of a nomological network of empowerment in the workplace" with the four dimensions converging to contribute to an overall construct of empowerment in a second-order factor analysis. As a result all four dimensions were found to be reliable and stable over time.

However, further research found that each dimension related differentially to different work outcomes. For example Spreitzer *et al* (1997) found that each dimension created different effects and no single dimension related to every work outcome. They reported that only through the combined effects of the four facets could effective and desirable outcomes be achieved.

On the other hand, some researchers question the validity of psychological empowerment existing as a four-dimensional construct (Eylon & Bamberger, 2000). For example, although Kraimer *et al* (1999) found support for Spreitzers' (1995) four-dimensional scale they also reported that self-determination is an antecedent to impact, arguing that potential power is a necessary condition for impact, i.e. to make a

difference. Subsequently, psychological empowerment is still conceptualised differently by different researchers and is sometimes dependent on the purpose and setting of the study. For example, having developed the scale in the manufacturing industry Spreitzer (1995) found four distinct dimensions of psychological empowerment, however Fulford & Enz (1995) argued only three in the service industry. They argued that two dimensions (i.e. impact and self-determination) conceptually overlap in the service industry. Self-determination focuses at the individual level and refers to the employee's ability to control his work behaviour whereas impact refers to the employee's ability and opportunity to initiate change at an organisational level. As service workers interact with customers they need to control their work behaviours to lead to a favourable organisational outcome so in a sense the two dimensions of self-determination and impact are not so different after all.

Conversely, empowerment as a relational construct has been far more difficult to conceptualise, due to the multiple dimensions of empowerment that have emerged in literature. Despite this, some researchers continue to restrict their conceptualisations to a unidimensional construct. For example, Savery & Luks (2001) measured empowerment as influence and defined this as the sharing of power with employees to improve organisational performance. Further, Hartline & Ferrell (1996) and Chebat & Kollias (2000) measured empowerment as the degree to which employees use their own initiative and judgement whilst performing their jobs.

However, many researchers agree that empowerment consists of several dimensions. Where much consensus exists that that the core element of empowerment involves giving employees discretion (Bowen & Lawler, 1992; Rafiq & Ahmed, 1998) other

dimensions often added to this to form the construct include information sharing, responsibility, rewards, accountability, trust, autonomy, knowledge and resources (see for example Bowen & Lawler, 1992; Rafiq & Ahmed, 1998; Blanchard *et al*, 1999; Randolph & Sashkin, 2002; Siebert *et al*, 2004). For example, Eylon & Au (1999) and Eylon & Bamberger (2000) view empowerment as a multidimensional construct consisting of information sharing, active belief (i.e. entrusting confidence in employees) and responsibility. Conversely Bowen & Lawler (1992) report that empowerment consists of information sharing, rewards, authority and knowledge.

Consequently, the conceptualisation of relational empowerment still remains vague. Past literature suggests that the conceptualisation adopted depends on the researcher and possibly on the relationships they are trying to investigate, e.g. what influences empowerment. For example, Siebert *et al* (2004) report information sharing as a dimension of empowerment, however, Melhem (2004) report it as an antecedent to empowerment. Melhem (2004) argues that by sharing information with employees their knowledge increases and consequently they become better at exercising the empowerment they have been given, thus information sharing becomes a precursor of empowerment rather than a constituent of it. Bearing this in mind, it becomes necessary to further define relational empowerment in the context of the present study.

2.2.1.1 *Relational Empowerment Defined*

Relational empowerment is defined as the extent to which front-line employees believe that they have the autonomy and authority to act independently.

2.2.2   Empowerment and Culture Revisited

Following the two different conceptualisations of empowerment, it becomes necessary to explore existing literature to see if they differ in effect across national cultures as the use of empowerment by international service managers is growing in their foreign counterparts (Shipper & Manz, 1992; Eylon & Au, 1999). This is an important issue as there has been much debate over the last three decades as to whether management practices need to be modified when transferred across to their foreign subsidiaries or simply when being adopted by indigenous organisations. Despite this uncertainty, the widespread ideology of empowerment and its positive effects have led to many international organisations employing it as a managerial tool, without enough consideration to the impact culture may have (Shipper & Manz, 1992; Randolph & Sashkin, 2002). This seems somewhat presumptuous as Hofstede (1993) emphasises that universal management theories do not exist and thus should not be operationalised. This is not only true for cultures that vary significantly but also for those that are relatively similar, for example neighbouring countries (Hofstede, 2001).

However, there are very few empirical studies that have explored empowerment differences across national cultures (Eylon & Au, 1999; Robert *et* al, 2000; Hui *et* al, 2004) and of those that have, none have conceptualised empowerment from the psychological aspect. Nonetheless, the distinct conceptualisations of empowerment help make reasonable assumptions regarding their different effects across cultures.

The implementation of management practices such as relational empowerment, initiates change in the workplace which introduces uncertainty, may threaten the power structure and violates the existing harmony (Leung *et al*, 2005). Thus, values of low

power distance, low uncertainty avoidance and individualism will help to facilitate the level of acceptance to change (Leung *et* al, 2005) in the implementation of relational empowerment.

Uncertainty avoidance is a factor which may affect the chances and opportunities for the practice of empowerment (Hofstede, 2001) as it reflects the level of ambiguity employees' may experience under the implementation of empowerment. A culture with high uncertainty avoidance denotes people who prefer to avoid ambiguous situations and favour greater career stability and more formal rules (Hofstede, 1980). Thus this dimension may moderate the effect of empowerment on job behaviour, where employees from a high uncertainty avoidance culture experience greater role stress.

Similarly the individualism-collectivism dimension may also influence relational empowerment as it concerns the degree to which an individual is integrated within a group (Hofstede, 1980). In individualist cultures the same standards are applied to all employees and job-related tasks are considered to be more important than relationships (Janssens *et al*, 1995). Conversely, in collectivist cultures employees are integrated into strong cohesive groups with different standards applied to employees within the group and out of the group (Janssens *et* al, 1995). Further, relationships are considered more important than job-related tasks (Hofstede, 1990). Thus, in an individualist culture where employees attach more importance to freedom and challenges in the workplace (Hofstede, 2001) a management practice such as relational empowerment may lead to positive job behaviour.

However, as relational empowerment largely involves the autonomy and the sharing of authority, logic suggests that cultures where a hierarchical management structure exists empowering the 'powerless' (i.e. front-line employees) would cause great role stress, confusion and dissatisfaction. Thus, power distance (Hofstede, 1980), or the degree to which people accept and expect differences in authority, seems to be a distinct cultural factor that can influence relational empowerment practices across cultures (Eylon & Au, 1999; Robert *et al*, 2000; Hui *et al*, 2004). This study will therefore focus on the obvious cultural dimension of power distance.

On the other hand, psychological empowerment does not involve autonomy or the sharing of authority *per* se. Instead it is more to do with ones intrinsic motivation and feeling of self-efficacy. As self-efficacy refers to an individual's belief or confidence in their capabilities to successfully perform their job-related tasks (Bandura, 1986) it seems unlikely to vary across national cultures. Furthermore, logic suggests that one's confidence levels are likely to increase as their performance improves and they recognise this improvement. This will reconfirm an employee's belief that they are capable of performing their job-related tasks, which appears to be a more universal reaction rather than culturally specific.

Similarly it seems reasonable to suggest that the effect of psychological empowerment on job behaviour (such as job satisfaction) should also be universal rather than culturally specific, because if employees are highly self-efficacious they are more likely to be satisfied with their jobs (Conger & Kanungo, 1988). Hence, it can be argued that power distance is more likely to moderate the relationships between

relational empowerment and job behaviour rather than the relationships between psychological empowerment and job behaviour which should be more universal.

2.2.3   Summary of the Empowerment Construct

Examination of the empowerment construct in literature shows that it exists as two distinct constructs: a psychological construct and a relational construct. However, both constructs raise conceptual issues. Psychological empowerment presents issues that are mainly related to its lack of discriminant validity across different work settings. Nonetheless, Spreitzer's (1995) psychological empowerment measure is still widely used in its original or modified form. Conversely, relational empowerment warrants further attention as it has no agreed definition in literature. Instead a multitude of possible dimensions exist to form the basis of management based empowerment.

2.2.4   Methodological Issues Surrounding Empowerment

Despite there being a clear distinction between the two aspects of empowerment, a prevalent overlap still exists in literature presenting many methodological issues. A multitude of studies report inconsistent effects of empowerment and so further research to explain the conflicting view becomes necessary. The reasons for these conflicting views are two-fold. Firstly, quite often empowerment is not measured based on how it is conceptualised. For example, in a recent study by Hui *et al* (2004) they conceptualised empowerment as discretionary empowerment (i.e. empowerment as a management based construct) but measured it using one dimension of Spreitzer's (1995) psychological empowerment scale. Although they used the self-determination

dimension which reflects autonomy (Bell & Staw, 1989) it still does not fully capture discretionary empowerment as they conceptualise it.

Secondly, whilst reviewing the existing empowerment literature it seems plausible that the conflicting views are attributable to the different conceptualisations of empowerment that are adopted by different researchers in their respective studies. Researchers tend to focus on only a single aspect of empowerment and this may be inadequate to explain the multitude of effects it may have in the workplace.

Despite this, empirical studies have not considered both aspects simultaneously, thus leading to conflicting views. In other words, it is still unknown whether the positive and possible negative effects are due to relational empowerment, psychological empowerment, or both of these aspects combined together. Thus, a study incorporating both aspects of empowerment becomes further necessary to explain the conflicting views. This is especially true for service managers so that they can develop suitable implementation programmes to maximise the potential benefits of empowerment.

However, in order to better understand the effects of these two aspects of empowerment it is vital to understand the difference between them first. As psychological empowerment refers to a mind set that employees have about their role in the organisation and as such employees choose to become empowered (Quinn & Spreitzer, 1997), psychological empowerment is not something that management can automatically induce with their employees. Instead, aspects of the organisation are more likely to increase the likelihood of employees becoming passive recipients of

psychological empowerment. In other words, management can only create an environment where employees feel they have more freedom and discretion in order to create psychological reactions to these conditions, thus generating psychological empowerment.

Conger & Kanungo (1988) support this notion as they described empowerment as a motivational process which they explained as the "process of enhancing self-efficacy among organisational members through the identification of conditions that foster powerlessness and through their removal by both formal organisational practices and informal techniques of providing efficacy information". As implementing "formal organisational practices to foster powerlessness" implies to promote and encourage the influence/power of an individual in workplace decision making, it seems reasonable to suggest that the presence of relational empowerment leads to psychological empowerment. Additionally Conger & Kanungo (1988) report that if managers give employees discretion to perform work related tasks this can induce psychological empowerment, because a discretionary policy helps employees to become more enthusiastic about their jobs and so they want to perform better. This further substantiates the relationship between relational and psychological empowerment, as discretion forms part of relational empowerment.

Furthermore, Laschinger *et al* (2004) report that relational empowerment[3] refers to the presence of empowering conditions such as access to information, resources and training and psychological empowerment is the employees' psychological interpretation to these conditions. Thus, it can be argued that psychological

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[3] Conceptualised by them as structural empowerment

empowerment is an employees' perception about them self in relation to their work environments (Bandura, 1989; Spreitzer, 1996). It therefore appears that the presence of relational empowerment will enhance feelings of psychological empowerment.

However, in a high power distance culture, relational empowerment is less likely to induce psychological empowerment as employees from such a culture expect to be told what to do and are not used to sharing responsibility or having access to information (Hofstede, 1980; 2001; Hoecklin, 1995). Thus, such employees are likely to be less accepting of relational empowerment, perceiving it negatively as it violates the norms that they are used to, e.g. employees are used to information being constrained by their hierarchical management structure (Hofstede, 2001). Consequently, relational empowerment will most likely not induce feelings of psychological empowerment in employees from high power distance cultures.

Conversely, employees from a low power distance culture are more familiar with sharing responsibility and having access to information (Hofstede, 1980). Such employees are therefore more likely to experience psychological empowerment. Accordingly, the following hypothesis is presented:

H_1: In low power distance cultures relational empowerment will lead to an increase in psychological empowerment levels

In order for relational empowerment to be received by employees, it is necessary to know what will influence and enhance its uptake. If relational empowerment is not accepted willingly by employees, then its effects are likely to be nil or worse still,

negative, hence the antecedents of relational empowerment warrant some attention. Subsequently, a selection of antecedents will be discussed. Following this the effects of empowerment presenting the most conflicting views in literature will be discussed and related to both relational and psychological empowerment. Finally the consequences of empowerment will be considered under the moderating effect of power distance.

2.3   Antecedents of Relational Empowerment

Drawing from management and marketing literature certain organisational factors have been highlighted that appear to account for variance of empowerment. Consequently, managers need to think about factors that will influence their employees' becoming passive recipients of relational empowerment, and use these to design implementation programmes for relational empowerment. Although such programmes will not guarantee the automatic application of empowerment, they will help to create the necessary work conditions (atmosphere) whereby relational empowerment can be practiced (Melhem, 2004).

Bowen & Lawler (1992) report that organisations need to share four necessary "ingredients" with their front-line employees to assist in the empowerment process: information sharing, rewards, power and knowledge. However, Argyris (1998) argues that although managers understand the theoretical benefits of empowerment for them to "let go" of their power is very difficult in reality. Hence, power does not seem to be a precursor of empowerment, rather it is a constituent of it. Furthermore, passing knowledge onto employees so that they understand what they have to do and can contribute effectively to the organisation seems similar to the construct of training.

Chebat *et* al (2002) agree as they report that training is offered to employees to enhance their motivation, knowledge and skills to allow them to be able to fulfil corporate goals and objectives. Subsequently, three constructs will be studied as antecedents of relational empowerment: information sharing, rewards and training.

2.3.1   Training

Training employees to exercise discretion or autonomy can be seen as a huge benefit for organisations as it helps employees make reasonable decisions spontaneously but at the same time teaches them not to misuse their new powers, thus preventing the organisation incurring unreasonable costs (Bowen & Lawler, 1992; Ford & Fottler, 1995). For example, if a customer demanded a price reduction, the front-line employee may feel obliged to meet this demand as they have been told that they need to improve their service delivery and satisfy the needs of customer whilst doing this. A continuation of this practice would incur unnecessary costs to the organisation, thus a training programme may help employees set reasonable limitations for themselves.

Further, it is not enough to just hire the right employee and empower them, the employee needs to be trained so that they know the nature of their job and they are informed of appropriate actions to rectify inevitable problems that arise, i.e. they need to know how to carry out their new responsibilities (Gandz & Bird, 1996). This in turn, helps the employee to manage the various conditions that make up the service encounter (Chebat *et al*, 2002).

However, in a high power distance culture the employee may not want to be trained to satisfy their customers as they are more used to "passing on the buck". In other words,

employees from a hierarchical management structure prefer paternalistic management where they are able to refer their customers to their managers in the event of a problem (Nicholls *et* al, 1999; Schneider & Barsoux, 2003). Any training to encourage changing this norm could have adverse effects. Conversely training employees from a low power distance culture will be much easier as they strive for equality (Hofstede, 2001) and would prefer to be able to satisfy customers without needing their managers input. This leads to the following hypothesis:

H_2: Training employees from a low power distance culture will increase levels of relational empowerment

2.3.2   Information Sharing

Pfeffer (1994) reports that sharing information is a necessary precondition of empowerment as it encourages employees to make more decisions and control their work process more. Hence, information sharing is operationalised as the extent of information shared between managers and their front-line employees to assist in the service delivery process and meet the customer's expectations. As communication between top management and subordinates increases, increasingly richer information is shared and processed (Van Egeren & O'Connor, 1998), and this flow of communication will increase and build knowledge of the employee. Consequently, employees will be able to make informed decisions. Information sharing also helps with setting boundaries for employees, i.e. they will realise how far they can go without causing undue expense to their organisation. Furthermore, Pfeffer & Veiga (1999) argue that if sensitive information such as financial performance of the

organisation is shared with employees they feel they are trusted more and this can inflate their enthusiasm to perform their job further.

Additionally information sharing aids in increasing knowledge and this is especially important in constantly changing environment and where service encounters are less static. Randolph & Sashkin (2002) also argue that without sharing information employees are unable to act responsibly even if they want to. For example, in a retail store there is a buy one get one free offer available, but it is limited to one per customer. However, if the front-line employee was not informed of this limitation the same customer could avail the offer more than once. Thus, the employee would be acting irresponsibly by creating a loss for his/her organisation, but without the intention to do so as they did not have sufficient information before the offer began. Logic therefore suggests that if the employee had the complete information to begin with he/she could have acted responsibly.

Similarly to training, employees from a high power distance culture may not be able to share information as they are used to information being constrained by hierarchy (Hofstede, 2001). Hence, managers in such a culture do not like to and often find it hard to disclose information with their employees. Further employees may not want to know as much as their managers do, as they prefer to have someone to look up to who has the answer for everything and is in the know-how. Conversely employees from a low power distance culture will strive to obtain all the information they can so that they can perform their job-related tasks with as little input from their managers as possible. Such employees are used to the "openness with information" throughout the organisation (Hofstede, 2001). It is due to this that information sharing is more

encouraged in low power distance cultures (Yanouzas & Boukis, 1993). This leads to the following hypothesis:

H$_3$: Information sharing in low power distance cultures increases relational empowerment levels

2.3.3 Rewards

Rewarding an employee does not just boil down to monetary rewards, it also includes rewarding and encouraging an employee in highly visible and confidence-building ways (Conger, 1989). For example, managers can recognise and openly praise the good work of an employee and use them as an example in front of others. A company's reward structure is expected to give employees positive reinforcement for solving problems and pleasing customers (Hart *et* al, 1990). Thus the way in which a firm rewards its employees has a significant effect on the level of service provided by the employee (Parasuraman, 1987).

Spreitzer (1995) and Lawler (1990) also argue a two-fold benefit of rewarding employees. They report that one, reward schemes inadvertently encourage managers to willingly involve front-line employees in decision making and two, this subsequently increases the employees concern for the success of the organisation. However, empowerment may be welcomed by some employees as it brings about a lot of job variation but for others who prefer to conform to guidelines it may not be such an attraction. Hence, firms need to ensure that the desired employee behaviours are actively encouraged and appropriately rewarded (e.g. via monetary or non-monetary

means) to increase customer orientation and restore customer satisfaction (Berry & Parasuraman, 1991).

However, employees from a high power distance culture will be less expecting of a monetary reward as they believe that it is their job to perform well and that is why they receive a salary (Hofstede, 2001). Further, they may shy away from increased recognition as they believe that they are not worthy of the attention above and beyond their managers (Hofstede, 2001)[4]. Thus, being rewarded for performing their actual job may in fact have little or no effect on their relational empowerment levels. On the other hand, employees from a low power distance culture will do their best to obtain recognition for performing well as they want to progress. Additionally employees from a low power distance believe in the notion 'you deserve what you get' so if they are rewarded for good performance they will accept it gracefully (Schneider & Barsoux, 2003). This leads to the following hypothesis:

H_4: Relational empowerment levels will be higher for employees who are rewarded for their ability to satisfy customers in a low power distance culture

The following sections will discuss the effects of empowerment. As noted from previous research the most inconsistently reported effects were those of role stress, self-efficacy and job satisfaction (see for example Hartline & Ferrell, 1996; Chebat & Kollias, 2000).

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[4] Managers, on the other hand believe that they are entitled to rewards not available to their subordinates (Hoecklin, 1995).

2.4   Outcomes of Empowerment

2.4.1   Role Stress & Self-Efficacy

Kahn *et al* (1964) reported that employees who are uncertain of their roles are more susceptible to job tension/anxiety, dissatisfaction and reduced innovativeness because they are unsure of the expectations of their role. This problem is particularly evident in boundary-spanning roles such as that of a front-line service employee (Chebat & Kollias, 2000). Boundary-spanning roles involve employees coping with the diverse expectations and demands of a variety of people both within the organisation and outside of it (Lysonski *et al*, 1988). Such demands create role stress for employees as there is the potential for conflicts of interest between organisational demands and customer demands. For example the firm may have a specified interaction period for service encounters but the customer may need more time to express their views/needs (Chebat & Kollias, 2000). These pressures create role conflicts and role ambiguities and consequently increase role stress.

Weatherly and Tansik (1993) define role conflict as the "incompatibility between one or more roles within an employee's role set, such that fulfilling one role would make fulfilling the others more difficult". Rogers *et al* (1994) support this by reporting that role conflict occurs when an employee is expected to react to contradictory demands both from management (resulting from a lack of unity of command) and due to inconsistent demands between the firms customers and its management. Tension and anxiety result, as front-line employees are caught between the demands of legitimate authority and the demands of customers with whom they usually identify (Rafaeli, 1989).

Ivancevich and Matteson (1980) report that role ambiguity results when an individuals' role is unclear, and lacks clarity regarding objectives of the job, or the scope of an individuals' responsibilities. For example employees do not have sufficient information to perform their role. Role ambiguity prevents employees from being productive and achieving their service quality aims (Ross and Altmaier, 1994). Schuler (1984) also argues that role stress results from situations where individuals experience role ambiguity and lose their sense of certainty and predictability in the work role.

Bandura (1977) explains self-efficacy as an employee's belief in his/her ability to perform job-related tasks so that an increase in self-efficacy increases an employee's competence and confidence and therefore their adaptability to customer requests, so that the quality of service delivered is elevated (Jones, 1986). Conger and Kanungo (1988) report that the empowerment process begins when managers make a conscious attempt to enhance employees' feelings of self-efficacy by removing conditions that lead to a feeling of powerlessness and by providing self-efficacy information.

However, there still remains some conflict in literature regarding the effects of empowerment on role stress. On the one hand, some literature reports that empowerment reduces role stress (e.g. Niehoff *et al*, 1990; Bowen & Lawler, 1992; Gandz and Bird, 1996; Koberg *et al*, 1999; Chebat & Kollias, 2000), and on the other some literature reports that empowerment increases role stress especially role ambiguity (e.g. Ashforth *et al*, 1998; Eylon & Bamberger, 2000; Conner & Douglas, 2005).

Niehoff *et al* (1990) indicated that when employees make their own decisions they experience an increase in job satisfaction and a decrease in role stress. Similarly Rafiq & Ahmed (1998) report that empowerment leads to favourable attitudinal and behavioural changes including increased job satisfaction and reduced role stress, especially role ambiguity. Singh (1993) also reported that empowering employees decreased their role ambiguity. Additionally, Chebat & Kollias (2000) report that empowering employees may create role ambiguity and consequently cause anxiety as through empowerment employees are expected to adapt to the customers needs. They also report that certain roles in an organisation such as boundary spanning roles are more susceptible to role conflict than others. Despite this, Chebat & Kollias (2000) found that increases in empowerment led to decreases in role conflict and role ambiguity amongst front-line service employees.

Conversely, Conner & Douglas (2005) report that in organisations where empowerment is largely practiced higher levels of role conflict and role ambiguity are more likely to be experienced. They attribute this to the fact that when an employee is empowered their tasks are less clearly defined as they do not have a realistic idea of how far they should go in order to please a customer. For similar reasons, Eylon & Bamberger (2000) also report that increasing empowerment levels will lead to increasing levels of role ambiguity. Furthermore, Hartline & Ferrell (1996) report that empowerment increases role conflict as front-line employees experience increased frustration through their empowerment due to inconsistent expectations of various parties. In other words, empowered employees take on added responsibilities in fulfilling the demands of their customers and their managers.

However, Hartline & Ferrell (1996) also reported an unanticipated relationship between role conflict and self-efficacy where role conflict was found to increase self-efficacy. Although they did not expect this to happen, as role conflict has been negatively correlated with job involvement, they found that as front-line employees' learnt how to deal with all the obstacles they met (through empowerment), they felt better about themselves hence increasing their self-efficacy. Bandura (1986) and Gist (1987) also support this finding and Gist (1987) named this to be a symbiotic relationship, where role conflict increases self-efficacy, which enables employees to cope better with role conflicting situations in the workplace. Hartline & Ferrell (1996) also found that role ambiguity seems to have the most prominent effect amongst front-line employees because it has a negative relationship with employees' self-efficacy and it is also provoked by role conflict.

As mentioned previously these conflicting views are possibly due to the conceptualisations adopted by researchers in their respective studies. However, as this study is testing the simultaneous and individual effects of relational and psychological empowerment the effects can be separated according to the relevant conceptualisation. From the previous discussion, it appears that empowerment induced by management (i.e. relational empowerment) effects role ambiguity, role conflict and self-efficacy.

However, logic suggests that psychological empowerment will not affect role ambiguity or role conflict as psychological empowerment is an employees' intrinsic reaction to relational empowerment. Instead, it seems reasonable to assume that psychological empowerment will induce feelings of self-efficacy, considering that psychological empowerment is a motivational process focused on enhancing feelings

of self-efficacy (Conger & Kanungo, 1988). Based on this, it also seems reasonable to assume that relational empowerment does not directly induce self-efficacy, rather, relational empowerment induces psychological empowerment which consequently induces self-efficacy. Thus the following hypothesis is posited[5]:

H_5: Psychological empowerment will lead to increasing levels of self-efficacy

As alluded to earlier, role ambiguity and conflict seem to be more related to relational empowerment as they are more management induced responses. For example, role ambiguity occurs when an employee's role is unclear and lacks clarity about the objective of the job or the scope of their responsibilities and this is more likely to occur through a management related practice rather than a motivational process. Furthermore, role conflict occurs due to the incompatibility within an employee's role set, such that satisfying one role would make satisfying the others more difficult. Again this is more likely to occur when an employee is given discretion and autonomy to improve the service delivery process.

Although it seems clear that relational empowerment effects role ambiguity and role conflict it is not clear whether these relationships will vary due to national culture. As employees from high-power distance cultures are unfamiliar with the concept of relational empowerment they are more likely to face role ambiguity due to the overwhelming addition of new tasks from their new role and the uncertainty associated with their new role (Tayeb, 1987). Hofstede (2001) confirms this as he reports that role ambiguity is more frequent with employees from a high power distance culture.

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[5] NB As the effect of psychological empowerment on job behaviour is more likely to be universal this hypothesis should not be moderated by power distance.

Conversely, in an empirical study across 21 countries Peterson *et al* (1995) report that high power distance cultures were positively related to low levels of role ambiguity[6]. However, this relationship was of marginal significance and Peterson *et* al (1995) report that "reducing ambiguity through hierarchy and rules can come at the cost of overload". In other words in order to reduce role ambiguity in formal, hierarchical cultures other role stresses such as role overload may be generated. However, in the absence of role overload it seems reasonable to suggest the following hypothesis:

H_6: Relational empowerment reduces role ambiguity in low power distance cultures

Although Peterson *et al* (1995) found that role conflict and power distance were not correlated, the relationship between relational empowerment and role conflict is still likely to be moderated by power distance. This is because relational empowerment is less familiar in high power distance cultures and so employees may find it hard to know which job-related tasks they should deal with first, leading to conflict. This leads to the following hypothesis:

H_7: Relational empowerment reduces role conflict in low power distance cultures

2.4.2 Job Satisfaction

Job satisfaction has been one of the most extensively discussed and studied concepts in organisational and personnel management. The research generated from studying this construct has many practical implications for both employees and organisations as

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[6] Peterson *et* al (1995) found no significant relationship between power distance and role conflict.

employees seek satisfaction and the best quality of life possible and managers face the challenge of operating efficient organisations with the human and technological resources available to them. Hence understanding this construct and its implications is not only desirable but also necessary for both the organisations survival and its employees.

Job satisfaction has been defined in many ways. Rogers et al (1994) define job satisfaction as an employee's attitude toward various aspects of their job as well as their job in general (Rogers et al, 1994). On the other hand, Cranny et al (1992) report that job satisfaction is an affective reaction to a job that results from the employee's comparison of actual outcomes with those that are desired. Hence, it is imperative for management to realise what their employees' need and want. Rogers et al (1994) supported this further reporting the importance for management to understand the specific factors that help shape employees' attitudes toward their jobs, as they are generally viewed as the interface between a firm and its customers. Hence, the contentment of the employee to a firm should be just as important as the satisfaction of a customer. This concept is supported by Heskett et al (1994), through the service-profit chain model, as the model emphasises the importance of job satisfaction due to its indirect impact on customer satisfaction. Bitner et al (1990) support this by reporting that low job satisfaction has the potential of causing low quality service encounter performances on the part of the employee and that this will lead to customer dissatisfaction, firm switching and negative word-of-mouth communications by the customers (Bitner, 1990).

The services marketing literature also reports that a happy and satisfied employee leads to a happy and satisfied customer, hence many firms are paying more attention to the satisfaction of their employees, especially front-line employees as they act as the interface between the firm and the customer. Furthermore, job satisfaction not only contributes to happy customers through outstanding service delivery but also leads to a reduction in employee absenteeism and turnover (Bowen and Lawler, 1992). Kim (2002) supports this claim from her study, which examined participative management and job satisfaction in local government agencies.

Bowen & Lawler (1992) suggest (through theory) that empowered employees are more satisfied with their jobs and therefore are more enthusiastic whilst serving customers, which results in a quicker response to customer needs and increased customer satisfaction, as they can decide the best way to perform a task. Similarly, Ugboro & Obeng (2000) report that empowered employees have higher levels of job satisfaction and performance primarily because of their involvement in goal setting and in making decisions that affect their work. Many researchers have also tested this relationship (i.e. between empowerment and job satisfaction) empirically and have found that they are positively related to one another (Hartline & Ferrell, 1996, Chebat & Kollias, 2000; Koberg et al, 1999). Hence, there is a general consensus that empowerment is a potent way of enhancing job satisfaction especially with front-line employees.

Despite the methodological issue surrounding the conceptualisation and measurement of empowerment, this relationship has been reported to be true for both aspects of empowerment. For example, Spreitzer *et al* (1997) argue that empowerment will enhance job satisfaction and consequently performance. They maintain that one of the

main issues in the workplace is enhancing employee satisfaction by improving intrinsic motivation and helping employees to feel good about their jobs. Hence, job satisfaction was one of the earliest anticipated outcomes of psychological empowerment. This leads to the following hypothesis[7]:

H_8: Psychological empowerment will lead to increasing levels of job satisfaction

There has been little research conducted on the effects of national culture on job satisfaction, however, Testa *et al* (2003) emphasise the need for congruence between organisational culture and national culture. For example, in a high power distance culture the relationship between relational empowerment and job satisfaction is likely to be negative, as employees from such a culture are used to working in centralised environments where they are not as informed about the organisation and where they expect to be told what to do (Hofstede, 1980). Hence, employees who expect and prefer to be told what to do may not be comfortable working in environments where empowerment is practiced, and so may not experience an increase in job satisfaction levels. Further, such employees would also expect to be closely supervised and evaluate this positively rather than negatively (Hoecklin, 1995), and thus would not be able to practice empowerment effectively. The latter would most likely render employees unable to perform their job-related tasks and thus lead to a decrease in job satisfaction levels.

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[7] NB As the effect of psychological empowerment on job behaviour is more likely to be universal this hypothesis should not be moderated by power distance.

Conversely employees from a low power distance culture are accustomed to working in a decentralised organisation and consequently have different expectations relating to their job-related tasks (Hofstede, 1980). Additionally, employees from a low power distance culture expect to be treated as equal to their managers and therefore expect their managers to consult with them before making decisions (Hoecklin, 1995; Hofstede, 2001). However, although they expect to be involved in decision making, such employees do not like their managers to closely supervise them, instead they prefer to be left alone to perform their jobs (Hofstede, 2001). Thus, it seems logical to suggest that employees from a low power distance culture will be more willing to work in an environment where empowerment is practiced where they can perform their jobs using their discretion, thus increasing their job satisfaction levels. This leads to the following hypothesis:

H$_9$: In low power distance cultures relational empowerment will lead to an increase in job satisfaction levels

2.4.3 Role Stress, Self-efficacy and Job Satisfaction

Empowerment has been found to directly affect role stress (de Ruyter *et al*, 2001) and self-efficacy (Alpander, 1991) and so when studying the effect of empowerment on job satisfaction it is important to control for these predictors as they also contribute to job satisfaction levels.

Two very important determinants of job satisfaction have been highlighted in literature as being role ambiguity and role conflict (Sumrall & Sebastianelli, 1999; Boles & Babin, 1996; Gregson & Wendell, 1994; Igbaria & Guimares, 1993; Chebat & Kollias, 2000; Hartline & Ferrell, 1996). It has been widely accepted amongst many

researchers that these two role stressors are antecedent variables for predicting job satisfaction, where they exhibit a negative relationship.

Previous research reports that role ambiguity has a more prominent effect on job satisfaction levels than role conflict or self-efficacy (Gregson and Wendell, 1994, Hartline and Ferrell, 1996).   However, Sumrall and Sebastianelli (1999) reported that the effect of these variables were likely to differ depending on the level of the employee within an organisation.   Furthermore, Rogers *et al* (1994) noted that the amount of role ambiguity and conflict exhibited may also be attributable to customers due to their varying and inconsistent demands, i.e. customers may make requests that are not feasible or are incompatible with the employees 'level of discretion'.   This suggests that if employees are empowered they may be able to deal with the varying and inconsistent demands made by customers which could ultimately lead to a decrease in role stress.

However, the relationship between role stress and job satisfaction has not received much attention across national cultures.   Despite this, it is likely that the relationship between role ambiguity and job satisfaction is moderated by power distance as role ambiguity is more prominent in employees from a high power distance culture (Hofstede, 2001).   Consequently, employees from a high power distance culture who exhibit higher levels of role ambiguity will experience lower levels of job satisfaction than employees from low power distance cultures[8].   However, Peterson *et* al (1995) found that role conflict and power distance were not correlated, thus the relationship between role conflict and job satisfaction is not likely to be moderated by power

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[8] However, in low power distance cultures role ambiguity will still lead to decreasing levels of job satisfaction

distance. Hence, the relationship between role conflict and job satisfaction should be similar across both high and low power distance cultures. This leads to the following hypotheses:

H_{10}: Role ambiguity will lead to decreasing levels of job satisfaction in high power distance cultures

H_{11}: Role conflict will lead to decreasing levels of job satisfaction across cultures

A third predictor of job satisfaction that has been identified is self-efficacy. Self-efficacy refers to an employee's belief in his/her ability to perform job related tasks (Bandura, 1977). However, previous studies have shown some contradiction as to the effects of self-efficacy on job satisfaction (Conger & Kanungo; Hartline & Ferrell, 1996; Chebat & Kollias, 2000).

Contrary to what they expected, Hartline & Ferrell (1996) report a significant and negative relationship between self-efficacy and job satisfaction indicating that highly self-efficacious employees tend to be less satisfied with their jobs. They attributed this to the characteristics of a front-line position, reporting that as there is not much scope in such a position becoming highly self-efficacious is pointless. However, this seems unreasonable as regardless of the scope of the front-line position if an employee experiences feelings of high self-efficacy, their belief in their capability to perform job-related tasks increases which should increase their satisfaction levels. Consequently, other research indicates that self-efficacy increases job satisfaction as employees become more enthusiastic about doing their job well and consequently become more satisfied with their performance ultimately leading to higher levels of

satisfaction (e.g. Conger & Kanungo, 1988; Chebat & Kollias, 2000). This leads to the following hypothesis:

H_{12}: Self-efficacy will lead to increasing levels of job satisfaction

Next in accordance with empowerment theory, customer orientation as an organisational outcome will be discussed.

2.4.4 Customer Orientation

Customer orientation has been identified as the foundation stone of the marketing concept (Jaworski & Kohli, 1993), and is recognised as an important tool to achieve long-term success and a competitive advantage (Dickinson *et al*, 1986). However, customer orientation has become a very ambiguous term in literature as it is often used synonymously with market orientation (e.g. Kohli & Jaworski, 1990; Deshpande *et al*, 1993). Where some researchers acknowledge it as the foundation of market orientation/a critical element of it (Dickinson *et al*, 1986; Mohr-Jackson, 1991; Narver & Slater, 1990) others fail to differentiate between the two (e.g. Kohli & Jaworski, 1990). This is a possible reason why customer orientation (as a separate construct) has not often been tested empirically (Deshpande *et* al, 1993).

According to the marketing concept, customer needs should be the central focus of the firm as there is an explicit assumption that customer-oriented firms outperform competitors by anticipating and responding to the developing needs of customers (Brady & Cronin, 2001). Dickinson *et al* (1986) emphasises that sometimes customers do not always know what they want to be satisfied, but firms still need to think about

customer orientation to remain competitive. In other words, this study focuses on *how* employees can satisfy their customers (by paying attention to the customers' needs and expectations) from their perspective rather than looking at customer satisfaction, so it looks at the direction of the employee in trying to understand and satisfy the customer rather than measuring how satisfied the customer is with the service they received. Consequently this study aims to measure the customer orientation of front-line employees, hence the elements of interfunctional coordination and competitive orientation (which form the market orientation construct) are not appropriate as these two elements focus on the coordination of business efforts throughout the company and all the activities involved in understanding competitors of the company (respectively) (Narver & Slater, 1990).

Customer orientation is "the set of beliefs that puts customers' interests first, while not excluding those of all other stakeholders such as the owners, managers, and employees, in order to develop a long-term profitable enterprise" (Deshpande *et al*, 1993). Customer orientation has been embraced by many firms as a competitive strategy to succeed in the dynamic business environment. This is especially important in a service firm due to the intangibility, heterogeneity and inseparability of services rendering the service process an important determinant of customers' quality perceptions (Kelley, 1992). The philosophy of customer orientation empowers employees and gives them more discretion to accommodate varying customer needs and problems (Cardy, 2001) and focuses on employee participation whilst providing front-line employees with knowledge, feedback, rewards and sufficient competence to provide high quality service to customers (Bowen & Lawler, 1992).

Realising the numerous benefits associated with customer satisfaction, firms often invest considerable organisational funds and resources in the development of customer satisfaction programmes (Pettijohn *et al*, 2002) such as empowerment (Kim *et al*, 2004). Thus, empowerment is a means of achieving customer orientation which in turn can lead to customer satisfaction. Furthermore, the behaviour and attitude of the employee can contribute to how satisfied the customer becomes, hence knowing how customer oriented the employee is becomes imperative. Harris & Ogbonna (2002) support this by reporting that it is important to generate appropriate attitudinal and behavioural responses amongst front-line employees through mechanisms such as empowerment in order to create and sustain a customer orientation.

A general consensus in the literature until recently has been that job satisfaction influences customer orientation. Previous research reports that if the employee is satisfied and happy they are more likely to focus on customer needs and respond to them appropriately. However, Donovan *et al* (2004) empirical research suggests the opposite (i.e. that customer orientation influences job satisfaction). Donovan *et al* (2004) argue that an employee from a service firm will already be customer focused (and therefore in the services industry) so this customer orientation will lead to job satisfaction levels.

They base their research on fit theory which states that a person and his environment combine to affect a person's behaviour suggesting that customer orientation is a result of both person (e.g. personality, goals, functional motives) and environment (e.g. nature of the job, short-term situational effects) and hence propose that dispositional customer orientation leads to job satisfaction. In other words they suggest that an increased period with customers increases job satisfaction (and organisation

commitment) because they are already customer oriented. Donovan *et al* (2004) research gives a valuable perspective on the relationship between job satisfaction and customer orientation, however it is fundamentally based on the assumption that a service employee is in his/her job because they *want* to serve customers well. This may not necessarily be true as there are many other motivating factors for seeking employment in the service sector such as money, task/role variation through contact with customers, academic suitability etc.

This study follows the widely held consensus of job satisfaction influencing customer orientation without ignoring the credible research of Donovan *et al* (2004). This is mainly because it is unreasonable to assume that a service employee will automatically have a positive orientation toward their work as some employees could be motivated by other factors such as salary and just be performing their jobs on minimal requirements.

It is reasonable to assume that this relationship will be true regardless of culture, because in order to succeed and outperform their competitors, customer orientation will be the focus of every organisation. This is unlikely to change in a high or low power distance culture as the ultimate aim of every organisation is to achieve long-term success through satisfying their customers. This leads to the following hypothesis:

H_{13}: Job satisfaction leads to higher levels of customer orientation across cultures

2.5   Implications of the Study

This chapter has presented a review of the literature regarding national culture and empowerment.   Highlighted in this review was the main issue surrounding empowerment: its conceptualisation (or lack of).   This has led to many possible methodological issues which may contribute to the conflicting effects of empowerment reported in literature.   For example, previous researchers have conceptualised empowerment as relational empowerment but measured it using dimensions of psychological empowerment.

Consequently, empowerment was further examined and was found to exist as both a relational construct and psychological construct.   Whilst this has been acknowledged in many studies, no previously identified study has attempted a simultaneous exploration of these two constructs, despite their obvious importance in the literature. Additionally noted is the lack of available measures or scales to capture the construct of relational empowerment.

An additional issue highlighted is that the effect of empowerment across culture has not received much attention to date.   This is somewhat surprising as empowerment is being employed extensively around the world as managers seek to gain the benefits of employing this Western ideology.   Consequently, whilst it is argued that empowerment leads to job satisfaction, little and conflicting empirical evidence of this relationship exists in a cross-cultural context.   Furthermore no identified empirical evidence exists for the relationship between job satisfaction and customer orientation in this research context.

2.5.1   Overview of Conceptual Model

In line with the literature review presented above, an initial conceptual model to be empirically tested was specified, and is presented in figure 1.1. The hypothesised relationships between the constructs of interest have been developed following an extensive critique and synthesis of the available literature and hence will not be discussed further.

It is acknowledged however, that further relationships are present in the model (but not hypothesised) that may be empirically tested. For example, the effect of the antecedents on psychological empowerment. However, increasing the number of hypothesised relationships subsequently increases the sample size required to test them[9] and given the scope of this study this was not deemed feasible. Consequently, those relationships that would contribute significantly to existing knowledge were hypothesised to be tested.

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[9] Refer to methodology section for further detail
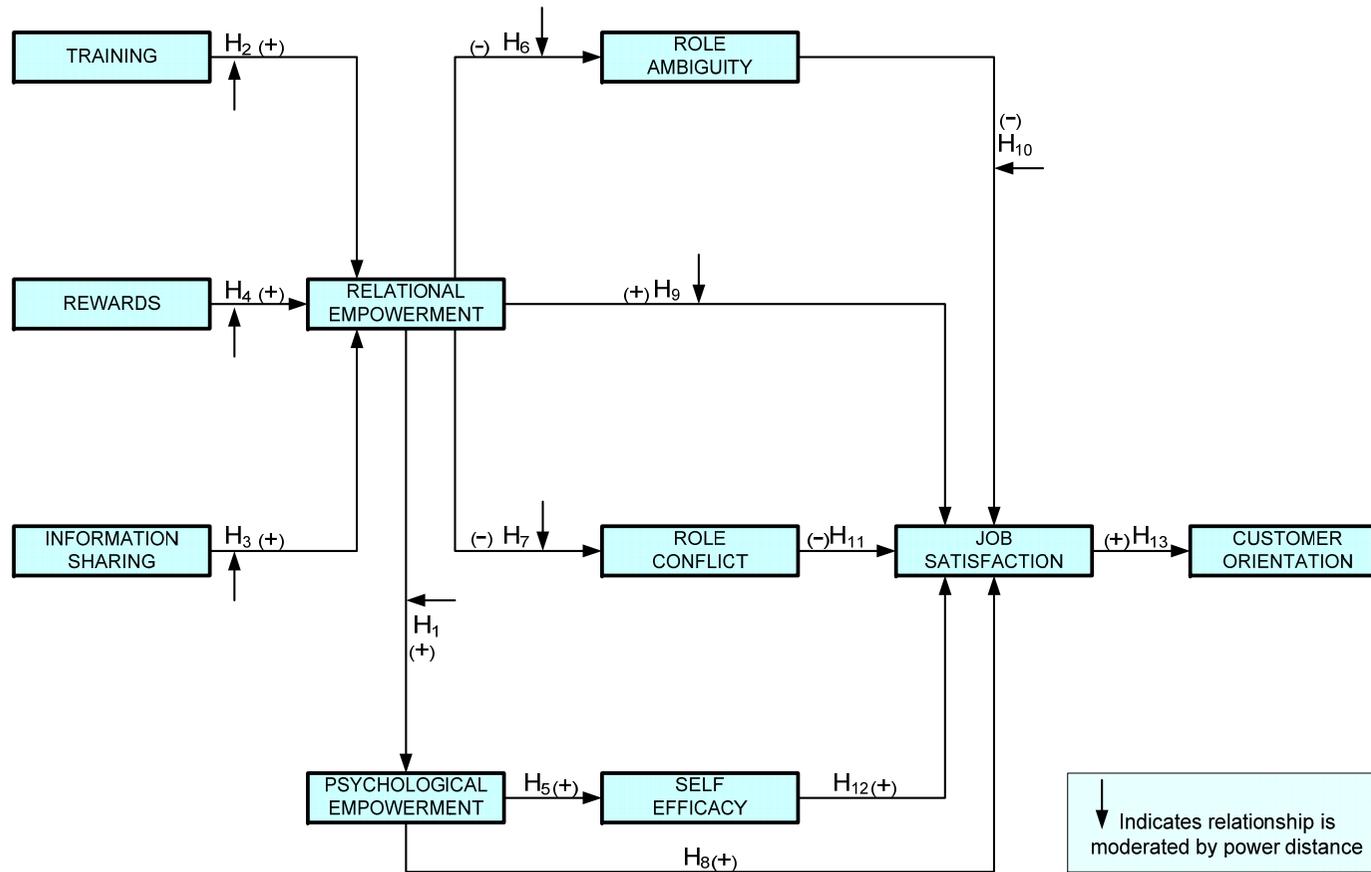
Figure 2.1 Hypothesised Model to be Tested

3 METHODOLOGY

Chapter two showed the synthesis and development of a conceptual model following a critical literature review. The next stage is to generate data to test the hypothesised conceptual model. In order to begin this process, many factors need to be considered and determined (Churchill & Iacobucci, 2005). First the research design needs to be determined, second the data collection method needs to be decided, third design of the measurement instrument and fourth the sampling frame, the sample selection process and the size of the sample needs to be set and then data collected.

The first section of this chapter begins by discussing research design, i.e. exploratory, descriptive and causal research including a brief outline of qualitative and quantitative research where relevant. Following this, alternative data collection methods will be discussed and a subsequent summary will highlight which method was chosen and why. Next, cross-cultural factors that need to be considered which are integral to the data collection process will be reported. Subsequently, sample selection will be discussed. The second section of this chapter will discuss the design of the measurement instrument, including the operationalisation of the necessary constructs. Following this, a discussion regarding the testing and refinement of the measurement instrument is provided. Before administration of the measurement instrument sample size is discussed. The final section outlines a problem that was encountered with the completed questionnaires, i.e. missing data, and how it was dealt with.

3.1   Research Design

A research design is a master plan or "blueprint" which can be used as a guide to collect data and analyse it for a study (Malhotra & Birks, 2000; Hair *et al*, 2003; Churchill & Iacobucci, 2005). Determining the design largely depends on the nature of the study and what information needs to be sought (Hair *et al*, 2003). Hence, the researcher needs to consider the type of data, the design technique, the sampling methodology and method of administration (Hair *et al*, 2003). Of course, a study can be conducted without careful consideration to these factors, but chances are the results obtained from such a study will differ immensely from one that does (Churchill & Iacobucci, 2005). Such a design will help to meet research objectives of the study and ensure that it is done within the budget and time allocated (Churchill & Iacobucci, 2005). Figure 3.1 illustrates the three basic types of research design; exploratory, descriptive and causal, which will be discussed in the subsequent sections. Whereas qualitative research is primarily exploratory in nature, quantitative research is either descriptive or causal and can also be referred to jointly as conclusive research (Malhotra & Birks, 2000).
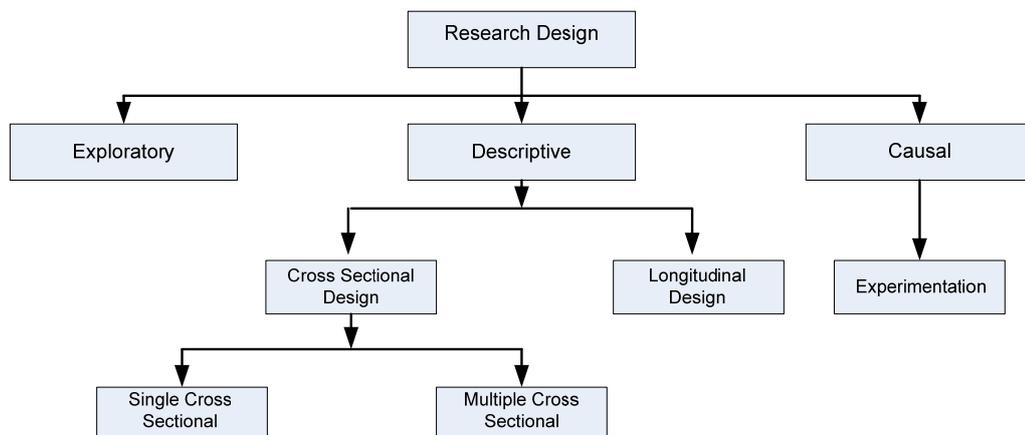
Figure 3.1 Classification of Research Designs

Source adapted from Malhotra & Birks (2000)

3.1.1   Exploratory Research

This type of research aims at providing a more holistic view and is an orientation towards knowledge and truth (Mariampolski, 2001).   It helps to familiarise the researcher with the research problem whilst leading to a more insightful view and clarifying concepts of the area under study (Churchill & Iacobucci, 2005). Consequently exploratory research helps to break down and simplify large vague research problems into smaller more precise sub-problems, by developing specific hypotheses and so provides a good foundation for a research study (Churchill & Iacobucci, 2005).

Exploratory studies are generally unstructured and flexible in nature (Hair *et al*, 2003; Churchill & Iacobucci, 2005). This is mainly due to the lack of understanding of the initial research problem, so as the researcher becomes more alert to the problem, they can change the research procedure as necessary (Churchill & Iacobucci, 2005) and redirect their exploration. Hence exploratory studies do not usually use large samples, structured questionnaires or probability sampling plans (Malhotra & Birks, 2000). Some examples of exploratory research techniques include using secondary data such as online databases, analysing case studies or conducting literature searches, experience surveys, focus groups or pilot studies (Hair *et al*, 2003; Churchill & Iacobucci, 2005).   Thus, in many exploratory studies data is collected via qualitative methods (Hair *et al*, 2003).   Qualitative methods are more multidimensional, more diverse and less replicable giving them more flexibility and so can they be used in a wider range of situations (Punch, 2005).   However, they generally lack reliability, validity and generalisability and are unable to recognise small differences (Hair *et al*, 2003). Furthermore, to conduct qualitative research well-trained interviewers are vital

otherwise there is potentially a higher risk at introducing error in the research (Churchill & Iacobucci, 2005).

3.1.2   Descriptive Research

This type of research is generally concerned with establishing the frequency with which something occurs or the relationship between two variables as it is generally guided by an initial hypothesis or hypotheses (Churchill & Iacobucci, 2005). Due to this (i.e. the latter point) this research tends to be more rigid and systematic in contrast to the more flexible exploratory research (Churchill & Iacobucci, 2005). The major objective of this type of research is to collect raw data and create data structures that describe existing characteristics of a selected sample of the population or market structure (Hair *et* al, 2003). It can also be used for profiling purposes or making predictions (Churchill & Iacobucci, 2005). Hence as the name suggests this type of research aims at providing a description of something, that are generally market characteristics or functions (Malhotra & Birks, 2000). Hence, descriptive research aims to answer the *who, what, when, where,* and *why* questions in a study (Hair *et al*, 2003). However, it cannot address any *why* questions associated with a research problem (Hair *et al*, 2003). This will be discussed in the following section. There are two types of descriptive studies; longitudinal and cross-sectional (Churchill & Iacobucci, 2005). Figure 3.2 shows the types of descriptive research that can be used to address research problems.

Aston University

Illustration removed for copyright restrictions

Figure 3.2 Classification of Descriptive Studies

Source adapted from Churchill & Iacobucci (2005)

Longitudinal designs use a fixed sample of respondents, from whom repeated measurements are taken, whereas in contrast cross-sectional studies rely on a sample of elements which are considered to be representative of the population of interest, that are measured at one point in time only (Churchill & Iacobucci, 2005). Longitudinal studies are advantageous as they provide an in-depth view of a situation by detecting changes over time through repeated measurements of the same variables on the same sample (Malhotra & Birks, 2000). Consequently, they are also considered more accurate. Figure 3.2 shows that longitudinal studies can be conducted on either true panels or omnibus panels.

True panels rely on repeated measurements of the same variables (also known as time series analysis) whereas although an omnibus panel relies on the same respondents, the information collected from them varies (Churchill & Iacobucci, 2005). The latter

method generates sub-samples within its population and these are ultimately used to provide the bigger picture, i.e. from the original omnibus panel, respondents with the desired characteristics and measured variables, will be chosen from the total panel to create these sub-samples (Churchill & Iacobucci, 2005). The other major advantage of longitudinal studies is analytical as many types of analyses can be performed on the data obtained. The amount of classification information obtained through these studies, to an extent is also an advantage as more sophisticated analysis of the results can be achieved (Churchill & Iacobucci, 2005). The major disadvantage of this type of study is that they are non-representative (Churchill, 2001; Malhotra & Birks, 2000). Also it is often very hard to get the commitment needed from participating respondents as they do not want to be bound to answering questions and/or keeping diaries (for example) for long periods of time (Churchill & Iacobucci, 2005).

In contrast cross-sectional studies rely on the information obtained from a representative sample of the population at one point in time, and so rather than provide a "series of pictures" of a situation it provides a single snapshot, collected through sample surveys (Malhotra & Birks, 2000; Churchill & Iacobucci, 2005). Single cross-sectional studies rely on one representative sample of the target population, whereas multiple cross-sectional studies rely on two or more representative samples of the target population, however, the information from all samples is obtained only once (Malhotra & Birks, 2000).

The major advantage of cross-sectional designs is that they use representative sampling and thus help to eliminate response bias (Malhotra & Birks, 2000). However, the method of data collection, i.e. surveys, are often criticised in this

approach as they are so specific and consequently do not penetrate very deeply below the surface (Churchill & Iacobucci, 2005). It is therefore very important to know exactly what information is required from the study so that relevant results can be reported (Churchill, 2001). Other concerns are that samples tend to be time-consuming and expensive (Malhotra & Birks, 2000).

In summary descriptive research can follow one of two routes; longitudinal studies rely on panel data (i.e. a fixed sample of respondents from whom repeat measurements are taken), whereas cross-sectional studies rely on a sample of elements which are considered to be representative of the population of interest, that are measured at one point in time only (Churchill & Iacobucci, 2005).

3.1.3   Causal Research

"Causal research is used to obtain evidence of cause-and-effect relationships" (Malhotra & Birks, 2000) and so addresses the main disadvantage of descriptive research. Hence quite clearly this type of research is considered most appropriate to understand why certain market phenomena happen as they do (Hair *et al*, 2003). Similar to descriptive research, causal research also follows a rigid well-planned, structured approach (Malhotra & Birks, 2000). This type of research typically uses experimental research, i.e. one or more of the independent variables are manipulated and controlled for whilst the dependent variables are observed (Churchill & Iacobucci, 2005). It is worth noting that this type of research supports the notion of the relationship of "X causes Y" but it still does not prove that X caused Y, it merely indicates that X made the occurrence of Y more probable (Churchill & Iacobucci, 2005).

3.1.4   Summary of Research Design

Exploratory research is more flexible and tends to use qualitative methods which employ smaller samples and aims at providing insight and understanding (Malhotra & Birks, 2000) to aid in clarifying concepts (Mariampolski, 2001).   In contrast descriptive and causal research are more structured and rigid (Churchill & Iacobucci, 2005) use larger and more representative samples and aim at testing specific hypotheses and examining relationships (Malhotra, 1993).

Hence, the current research problem will adopt a primarily quantitative approach by employing a descriptive study design. This was considered the best approach as there are clear objectives of this study and descriptive research design is guided by a hypothesis or hypotheses (Churchill & Iacobucci, 2005), which were developed previously in chapter 2. As a descriptive design can follow two routes (please refer to figure 3.2) the next decision that needs to be made is whether to conduct a longitudinal study or cross-sectional. For the purposes of this study, a cross-sectional study will be employed. Reasons for this are two-fold: a) this method allows theory development by testing a representative sample and generating summary statistics for which the theory is applicable and b) the time constraints associated with a PhD study do not allow for a longitudinal study to be conducted.

The following section outlines the various alternative data collection modes which can be administered for survey research in a descriptive study.   These include administering the surveys by telephone, fax, mail, personal interview, or computer (i.e. web or e-mail) (Churchill & Iacobucci, 2002, p. 280). Surveys administered via mail

or fax can also be referred to as self-administered surveys (Hair *et* al, 2003) as the survey will be completed by the respondent themselves.

3.1.5   Data Collection Methods

3.1.5.1   *Personal Interviews*

The interviewer's task is to approach/contact respondents and read questions to them and record their answers (Malhotra and Birks, 2000, p.213). Burns and Bush (2001) report that this technique has many advantages including feedback, rapport, quality control and adaptability. Feedback refers to the interviewer, adjusting his/her questions according to the respondent's actions or answers and jotting down any extra information that may be relevant to the study. The interviewer may build up a rapport with a respondent who at first is not interested in the survey or is initially suspicious of its purpose. Quality control means that the interviewer can select certain types of respondents depending on their sex, age etc. Finally personal interviews may adapt the pre-determined answers to help the respondent or may reword a difficult question so that it is more easily understood. However, there are also many disadvantages to this procedure. The more obvious ones are that they are more time-consuming and therefore expensive as the interviewer needs to travel to the respondent, they are more prone to error and a degree of interviewer bias and the collected data has to be transferred to a computer data file (Burns and Bush, 2001, p.267). In order to decrease error factors, more highly trained and skilled interviewers are needed which incurs extra costs.

3.1.5.2   Computer Administered Surveys

This is where the computer plays an essential role in the interview as it either assists the interview or directly interacts with the respondent (Burns and Bush, 2001, p.268). The advantages of this type of survey reflect the disadvantages of the person-administered survey as computer surveys are fast, error-free, are able to capture data in real time and are less threatening for some respondents (Burns and Bush, 2001, p.268). The main disadvantage of these surveys are that they incur very high set-up costs, however these costs are falling consistently as technology is continuing to emerge and improve (Burns and Bush, 2001, p.268). A further two limitations to this approach is that the web is not available to everyone and there is no readily available list of e-mail addresses for respondents that may be relevant to the study (Malhotra & Birks, 2000).

3.1.5.3   Telephone Surveys

This method can be useful when data is required quickly and geographical coverage is not restricted (Malhotra, 1999). It also allows the interviewer to easily change the sequence of questions depending on the response (Churchill & Iacobucci, 2005). Furthermore this method allows the interviewer to call a respondent back at a more convenient time or if there was no reply (Hair *et al*, 2003). However, this method can also increase respondent fatigue as there are no visual prompts to maintain the respondents interest and they are very impersonal (Malhotra & Birks, 2000), hence telephone interviews should ideally last no more than two to three minutes (Churchill & Iacobucci, 2005). Additionally, similar to computer surveys telephone surveys are restricted to those respondents that do have a phone.

3.1.5.4   Self-administered Surveys

"A self-administered survey is an instrument used to collection information from people who complete the instrument themselves" (Borque and Fielder, 1995, p.2). The advantages of this method are costs are reduced as no interviewer is needed, they are easier to implement, the respondents can control the pace at which they respond to a large extent and the respondents may feel more comfortable without being surveyed by a computer or human (Burns and Bush, 2001, p.270).   However, Borque and Fielder (1995, p.14), have pointed out some major disadvantages to this method. Firstly, the researcher has no control over the response rate or the amount of time the respondent may take to complete the survey, and even if the respondent does take time in returning the survey there is no guarantee that it will be complete.   Further the respondent may not interpret the question in the way that it was intended and so the potential error is very high. Two types of self-administered surveys will be discussed in the subsequent sections: mail surveys and drop-off surveys.

3.1.5.4.1 Mail-administered Surveys

As the name suggests, the questionnaires are posted to an identified population (obtained via readily available mailing lists) who are asked to complete and return the survey (Malhotra & Birks, 2000). This method has many advantages as it allows respondents to leisurely reply, it is not subject to interviewer bias, it ensures anonymity and is generally best for personal and sensitive questions (Churchill, 2001; Churchill & Iacobucci, 2005). However, this method can also lead to the lack of response to ambiguous questions faced by the respondents as the interviewer is not present to explain these and therefore cannot probe the respondent for answers (Churchill & Iacobucci, 2005). Additionally this method can achieve lower response rates as there

is little interaction between the interviewer and respondent and there is little or no control of the return rate (Churchill, 2002). Faxed surveys operate in a similar manner to mailed surveys but they tend to work better for business related research as many respondents do not have fax machines at home (Churchill & Iacobucci, 2005).

3.1.5.4.2 Drop-off Surveys

This method enables the interviewer to hand-deliver the survey to the respondent and also collect it upon completion (Hair *et al*, 2003). Alternatively the completed surveys can also be posted back to the interviewer. This method has a few advantages over mail surveys. The main benefit is that there is some degree of interaction between the interviewer and respondent which can increase interest and ultimately the response rate (Hair *et al*, 2003). Secondly the respondent has the chance to ask the interviewer of any ambiguous questions and so increase completion rates. The major disadvantage of this method is that it can become more expensive in comparison to mailed surveys.

Following the outline of data gathering methods, the next section justifies which method will be employed for this study.

3.1.5.5   *Data Collection Method Employed*

The above discussion emphasises the associated advantages and disadvantages for each data collection method. For the purposes of this research problem drop-off self-administered surveys are the most appropriate as the research includes some sensitive issues, e.g. with regards to employee behaviour, so even though this technique will give the respondents the privacy they need to answer the questions honestly and

without hesitation, it also allows respondents to clarify any questions they may have. Consequently this should increase the response and completion rate.

Furthermore owing to the cross-cultural context of this study it was considered more time-effective to employ this method as data was going to be collected from more than one country, thus if mail surveys were employed this would have incurred a huge dependency on foreign postal systems which in developing countries are not very well developed (Malhotra *et al*, 1996). In Africa, Asia, and South America especially, mail surveys are avoided due to illiteracy levels and large proportions of their populations living in rural areas (Malhotra *et al*, 1996). Taking this into consideration Hofstede also employed this method in the smaller subsidiaries of IBM during his extensive data collection which began in 1968 (Hofstede, 2001).

3.1.6   Research Philosophy Employed

This research method follows a positivist approach as it aims to measure and analyse relationships between variables that are consistent across time and context. It also allows for valid comparisons to be made with previous research as this type of data collection technique can be repeated endlessly if conducted according to a rigid and robust methodology. Positivism is primarily associated with quantitative work but it is also applicable to some qualitative research which is similar in logic and methods to positivism such as naturalistic ethnography and participant observation (Punch, 1998, p. 31). A positivist approach has numerous implications for the researcher. These include independence, value freedom, operationalism, generalisation and cross sectional analysis.

Independence and value freedom means that the researcher is independent from the observation, and that the subject and method of inquiry can be objectively chosen. Large samples of data produce generalisations of fundamental laws and cross sectional analysis allows for variations to be identified and generalised by comparing large samples. These implications are very important to the research study in question as they allow for hypotheses to be tested by deducing observations that demonstrate their validity. In other words this approach allows the deduction of true knowledge (through verified hypotheses involving valid, reliable and precisely measured variables) in a structured and controlled manner. Hence, once this has been accomplished than this knowledge can be transferred to practitioners to improve working conditions (i.e. for the purposes of this research problem it will be levels of empowerment) in order to increase levels of service quality perceived by the customer.

Positivists are often criticised for ignoring the differences between the natural and social world by failing to understand the 'meanings' that are brought to social life as they are merely refining and possibly extending what is already known (Easterby-Smith *et al*, 1991). However, quantitative researchers claim that they do not aim to produce a science of laws but aim simply to produce a set of cumulative generalisations to service the development of universal knowledge based on the critical sifting of data.

A positivist approach is appropriate for the present study as it tends towards the use of questionnaires for data collection and analytical statistical analysis for specific hypothesis testing so that relationships can be explained and a valid and somewhat generalisable conclusion reached (Malhotra & Birks, 1999, p. 76). Furthermore, as it requires a formal and structured research process it can provide recommendations for

future strategies (Malhotra, 1999, p. 148) which are statistically reliable due to its objective criteria and procedures (Wright & Crimp, 2000, p. 374). This reliability is achieved through the use of large sample sizes that are representative of the population in question.

Before discussing the questionnaire design it is important to consider any cross-cultural factors that may affect the design and administration of the survey. Hence the following section outlines the main cross-cultural factors that need to be taken into account.

3.1.7   Cross-Cultural Considerations

If researchers ignore the difficulties inherent in using self-report questionnaires in cross-cultural studies, the field as a whole may be subject to misinterpreting some findings that may actually be meaningless, inconclusive, or misguiding (Schaffer & Riordan, 2003). Consequently there are certain stages that the researcher has to consider. Initially the researcher needs to decide whether their study will be conducted from an etic or emic perspective. An etic perspective assumes that there is a shared frame of reference across culturally diverse samples, and that construct measurement can be applied to all of the samples in the same way, ultimately allowing for more generalisability (Ronen & Shenkar, 1985). The use of an etic approach may be the most practical for organisational researchers, in terms of financial limitations and time pressures. However, if etic constructs are used to make cross-cultural comparisons, researchers risk not capturing all of the culture-specific (emic) aspects of the construct relative to a particular culture in the study.

On the other hand, if an emic strategy is used, a more precise and thorough description of the construct within one culture can be obtained, but the ability to make cross-cultural comparisons becomes more difficult (Church & Katigbak, 1988) as the issue of (the lack of) measurement equivalence/invariance[10] becomes prevalent (Steenkamp & Baumgartner, 1998). Malhotra *et al* (1996) suggest encompassing both emic and etic perspectives in cross-cultural investigations, i.e. a best-practice approach, because "to be 'cultural' requires the emic viewpoint", and to be "'cross' requires the etic perspective".

Another factor that needs to be considered during cross-cultural research is the alignment of research contexts so that there is congruence between the different cultures studied (Moore *et al*, 2003). In other words there should be some similarities between the samples and there should be consistency between the administrations of the surveys (Hofstede, 2001). Hence, first sampling technique needs to be carefully considered here (Malhotra *et al*, 1996). Where convenience samples are easier to use sometimes they may not be the best option. In this stage the researcher may use an "insiders'" and "outsiders'" perspective together to help identify some problematic contextual issues. For example, researchers might work together with top executives from a different culture to clear up ambiguities about items on an employee survey (e.g. Johns & Xie, 1998). This type of interaction between outsiders and insiders can be particularly helpful in alleviating some of the problems that could lead to respondents' feelings of uneasiness with the interventions.

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[10] NB Measurement equivalence and invariance are used interchangeably

As previously mentioned, of significant importance is the issue of measurement invariance where the researcher has to validate the research instrument to ensure that constructs developed in one culture can be applied to another culture and consequential comparisons drawn (Steenkamp & Baumgartner, 1998; Byrne & Campbell, 1999; Vandenberg & Lance, 2000; Cadogan *et al*, 2001; van Herk *et al*, 2005). A lack of measurement invariance threatens the validity of substantive inferences to be made (Adler, 1983) thus devaluing cross-cultural research. Subsequently, tests of measurement invariance warrants further discussion[11].

Considering the importance of obtaining measurement invariance in order to make cross-cultural comparisons between the countries of interest, an etic approach will be employed and the questionnaire will be designed in the UK but will be pre-tested in both countries relevant to this study. Through rigorous pretesting it is thought that any uncertainty with respect to the constructs or measures can be modified so that the respondents can (as much as possible) share similar frames of references. Although this is not quite a best-practice approach (i.e. a combined emit-etic approach) (Schaffer & Riordan, 2003) cultural differences which may exist (e.g. different interpretations of the same item) are thought to be alleviated through the pretesting procedure (Reynolds & Diamantopoulos, 1998).

The following section discusses who the study is going to be targeted at, i.e. the sampling frame, as this forms part of the basis of the design of the survey. Subsequently the questionnaire design will be discussed.

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[11] Refer to Section 4.3.3.1

3.1.8   Sampling Plan

At this stage it is important to select who the information needed should come from, i.e. the researcher needs to decide on a sample of the population of interest (Churchill & Iacobucci, 2005). Hair *et al* (2003) recommend a seven-step procedure to make up the sampling plan whereas Churchill & Iacobucci (2005) highlight a very similar six-step procedure. The main difference between the two procedures is that Hair *et al* (2003) recommend selecting the data collection method during this sampling plan whereas Churchill & Iacobucci (2005) do not. For the purposes of this study Churchill & Iacobucci's (2005) procedure will be employed as the data collection method has already been chosen.

The six steps are to 1) define the target population, 2) identify the sampling frame, 3) select a sampling procedure, 4) determine the sample size, 5) select the sample elements and 6) collect the data. Steps 1-3 will be discussed below and the remaining three steps will be discussed following the questionnaire design, i.e. section 3.3.

3.1.8.1   Target Population & Sampling Frame

The target population for this study are front-line employees from the banking industry across two countries identified as India and the UK. The reasons for choosing these countries were two-fold. Initially these countries were identified based on their power distance scores obtained in Hofstede's (1980) study. There was a significant variation between the power distance scores between India and the UK where India scored higher than the UK, indicating a contrast in cultural characteristics between the two countries. From Hofstede's (1980) work, the UK culture is low in power distance,

highly individualistic and weak in uncertainty avoidance, whereas the India culture is moderately high in power distance, moderately collectivistic and weak in uncertainty avoidance (Hofstede, 2001). Thus, any differences noted would most likely be attributable to the obvious and distinct cultural contrast between the two countries.

These countries were also chosen due to (a) the significant amount of outsourcing from the UK to India and (b) the high number of western-origin multinational corporations which are opening up subsidiaries in India. Due to these two factors, it is reasonable to assume that the management of service employees may have already started to change in India, where Indian managers are adapting a more western approach in line with their parent company and/or competitors. However, although management may be changing, employees may still be resisting these changes due to their inherent cultural values, which is implicated by Hofstede's (1980) power distance index. Additionally, India, as opposed to another country scoring high on the power distance index was chosen, as English is commonly used in business and public life and so the use of an English language questionnaire did not pose any problems (Barak *et al*, 2003).

Having chosen the countries the next important consideration was given to the unit of analysis. Since organisations naturally consist of a number of levels, it is important to choose a level in the organisation that is appropriate to the research problem and relevant to the surrounding theory. Consequently, front-line service employees were primarily chosen as they are at the forefront of an organisation and they generally have to adapt and make spontaneous decisions (due to the nature of service encounters) hence a practice such as relational empowerment would be highly relevant to them (Boshoff & Leong, 1998; Lashley, 1999). Secondly they were chosen because the

spontaneity of their roles significantly influences certain behavioural and attitudinal responses within them such as job satisfaction and self-efficacy (Hartline and Ferrell, 1996), which is also relevant to this study.

Chapter 2[12] highlighted the need to examine both a multinational and indigenous organisation in different cultures, to investigate not only if empowerment can be implemented effectively across different cultures but also to compare whether the origin of the organisation influenced the implementation. Consequently the same multinational organisation was chosen in both countries. Additionally, an indigenous bank in each country was chosen on the basis of its size and presence in its respective country. An important factor whilst determining the sampling frame was that of homogeneity. The key reason for that was to generate consistent samples for measuring the theoretical constructs of concern, as less error is introduced into the analysis when sampling frames are similar (Malhotra *et* al, 1996; Moore *et al*, 2003). Furthermore, homogeneity was considered most appropriate owing to the scope of the study, especially in the case of the multinational samples. For example, if the same organisation is not used, other factors such as organisational culture may need to be accounted for, to explain the results. Lytle & Timmerman (2006) support the use of a single organisation when collecting data, as this enables researchers to eliminate any possibilities due to "unique corporate variables beyond their control" when interpreting results.

Following the decision of who to administer the survey to, the next decision that needed to be made was where they would be surveyed. Consequently, keeping

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[12] Refer to section 2.1.3.3

homogeneity in mind[13], the banking industry was chosen, as the delivery of most financial services requires considerable customer contact (Chebat and Kollias, 2000) and so empowerment and its associated consequences are likely to be more prevalent in such an environment.   Furthermore, this is consistent with previous studies conducted in this research area (See for example, Hartline & Ferrell, 1996, Chebat & Kollias, 2000; Rodsutti & Swierczek, 2002; de Jong *et* al, 2003; Nielsen *et al*, 2003; Papasolomou-Doukakis & Kitchen, 2004).

The second and third steps of the sampling plan process are almost simultaneously achieved as the former requires the identification of the sampling frame and the latter requires selecting the sampling procedure.   The former is achieved by listing the elements from which the end sample will be taken and the latter relies on this list to be able to choose the method (Churchill & Iacobucci, 2005).   The latter involves choosing between two types of orientation, i.e. probability and non-probability sampling (Wright & Crimp, 2000; Burns & Bush, 2001; Malhotra, 1999; Malhotra & Birks, 1999; Hair *et al*, 2003).   Whilst determining this stage the researcher should consider seven factors (Hair *et al*, 2003).   These are the research objectives, degree of desired accuracy, availability of resources, time frame, prior knowledge of the target population, scale of the research and the likely method of data analysis.

Probability sampling is a procedure where each element of the population has a fixed probability of being selected (Malhotra & Birks, 1999), however, it is not necessary that they have an equal chance of being selected.   Conversely, non-probability sampling refers to a technique which does not involve chance selection, but instead

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[13] A single industry was chosen to eliminate any differences in industry characteristics (Ryan *et al*, 1999)

relies on the personal judgement of the researcher (Malhotra & Birks, 1999). In other words, in using the latter technique the 'chance' of an element being selected is unknown.

Both methods consist of four separate techniques (Wright & Crimp, 2000; Burns & Bush, 2001; Malhotra, 1999; Malhotra and Birks, 1999). In the case of probability sampling these are simple random sampling, systematic sampling, stratified sampling and cluster sampling. Whereas, non-probability sampling techniques include convenience sampling, judgemental sampling, quota sampling and snowball or referral sampling. Each of these techniques has their own strengths and weaknesses. The significant strengths and weaknesses and a brief description of each technique is summarised in Tables 3.1 and 3.2.

A non-probability sampling technique was chosen as the most appropriate method for this research study. More precisely a judgemental sampling technique was applied. The main reason for this choice was that there was a clear characteristic that all respondents needed to possess, and that was that they all had to be front-line employees. This was essential in order to fulfil the research objectives. Therefore this method would provide convenience for the researcher as they could screen the population of each company for the required sub-sample and begin the administration of the survey. The subsequent section will outline and discuss the questionnaire design.

Table 3.1 Strengths and Weaknesses of Probability Sampling Techniques

Probability Sampling Technique	Strengths	Weaknesses
Simple Random Sampling (SRS) Technique where each element has a known and equal chance of selection. Each element is selected independently of the other and the sample is drawn by a random procedure from a sampling frame; similar to the lottery system.	1) Sample results may be projected to a large population and 2) It is easily understood.	1) Difficult to construct a sampling frame, 2) very time consuming and expensive, 3) results are generally lower in precision with large standard errors and 4) SRS may not result in a representative sample.
Stratified Sampling Technique, which uses a two-step process, to separate the population into sub-populations. Elements usually selected by SRS.	1) Ensures that all important sub-populations are included and 2) Therefore is more precise.	1) There are many criteria to select stratification variables making it very difficult and 2) Expensive
Systematic Sampling Technique where the elements are chosen by selecting a random starting point and then picking every ith element from the sampling frame.	1) Easier to administer and is less expensive than SRS 2) Can increase representativeness if the elements are ordered in relation to the characteristic of interest 3) A sampling frame is not always necessary	1) Researcher assumes that the frame is in some sort of order to begin with 2) Can decrease representativeness and yield results similar to SRS
Cluster Sampling Two-step technique where first the population is divided into mutually exclusive and collectively exhaustive sub-populations (clusters), and then a random sample of clusters is selected by a probability technique such as SRS.	1) Increases sampling efficiency by decreasing costs so is cost effective 2) Easy to implement	1) Not as efficient as stratified sampling as it is imprecise 2) The results are difficult to compute and interpret

Source adapted from Malhotra & Birks (1999), pg 363

Table 3.2 Strengths and Weaknesses of Non-probability Sampling Techniques

Non-probability Sampling Technique	Strengths	Weaknesses
Convenience Sampling Technique that attempts to obtain 'convenient elements' as the researcher selects respondents because they are in the same place at the same time.	1) Least time-consuming and 2) Least expensive sampling technique 3) Is most convenient because 4) Sampling units are accessible, easy to measure and co-operative	1) Not appropriate for descriptive or causal research 2) Not representative of any definable population 3) A lot of selection bias such as respondent self-selection.
Judgemental Sampling Similar technique to convenience sampling but the population elements are purposely selected based on the researchers judgement.	1) Convenient 2) Not time-consuming and 3) Is not expensive	1) Not representative because it is subjective 2) Does not allow generalisation.
Quota Sampling Two-stage restricted judgemental sampling technique. Firstly control categories (quotas) are developed and then sample elements are selected based on convenience or judgement.	1) Sample can be controlled for certain characteristics such as demographics.	1) If a characteristic that is relevant to the problem is overlooked than the quota sample will not be representative and 2) There is selection bias as the elements are selected by convenience or judgement techniques.
Snowball or Referral Sampling Initially the group of respondents are selected randomly, i.e. via probability techniques, and then subsequent elements are chosen based on information provided by the initial respondents.	1) Substantially increases the likelihood of locating the desired characteristic in the population and 2) Results in relatively low sampling variance and costs.	1) Very time-consuming and 2) Can produce sample bias because it depends on respondents' judgements and so is subjective.

Source adapted from Malhotra & Birks (1999), pg 363

3.2   Questionnaire Design

This section details the physical design of the questionnaire in accordance to Churchill's (1999) procedural template. Figure 3.3 provides a diagram of the stages required to complete this exercise.

Although the stages can be literally taken as a step-by-step approach the diagram depicts that some stages can be completed simultaneously to others. Additionally it should be noted that "working back and forth among the stages is natural" (Churchill & Iacobucci, 2005). In other words during the design of the survey modifications may need to be made at various different stages causing the 'designer' to back-track to a previous stage. Thus designing a questionnaire can be an iterative process. The subsequent sections will detail the different stages used to in order to design the questionnaire.

Aston University

Illustration removed for copyright restrictions

Figure 3.3 Procedure for Developing a Questionnaire

Source adapted from Churchill (1999)

3.2.1   Specify information to be sought

This has already been discussed extensively in chapter 2 where a conceptual model and subsequent hypotheses were developed.   "The hypotheses determine what information will be sought and from whom, because they specify what relationships will be investigated" (Churchill & Iacobucci, 2005).   Hence for each construct

discussed in the previous chapter, individual measures were required. The following section outlines the measures used in the questionnaire. All measures used in this questionnaire were existing measures that have been validated and shown to be reliable by other researchers. Note the response form is only given if it was not originally anchored at strongly agree to strongly disagree, as this indicates which items were modified to fit this scale. In addition to the measures, demographic variables also needed to be collected in order to profile the characteristics of the respondents.

Relational Empowerment

Hayes (1994) 14 item measure was used to measure relational empowerment. This measure was primarily chosen as it was developed using a similar conceptualisation of empowerment to the one adopted in the presented study. Further, this measure has been successfully used in similar studies[14]. For example, in testing a service recovery model Babakus *et al* (2003) adapted this measure to incorporate in a self-administered questionnaire which was personally delivered to front-line employees across 16 banks in Turkey. Melhem (2004) also incorporated this measure whilst testing an empowerment model on service employees across different banks in Jordan. This indicates that although this measure was developed in a predominantly Western culture it can be successfully used in different cultures. Similarly Boshoff & Allen (2000) also employed this measure whilst testing a service recovery model and again they used front-line employees from a major national bank as their target population.

Other studies such as Goodman *et al* (2001) also successfully used this measure in a different service setting further demonstrating the robustness of this measure. Lin

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[14] Although they were not cross-cultural

(2002) also used this measure as the basis of her empowerment measure in a study targeting employees from multinational and indigenous insurance companies in Taiwan. As this study also aimed to collect data from an indigenous and multinational bank in the UK and India, Hayes' (1994) empowerment measure seemed the most suitable measure to use.

Psychological Empowerment

Spreitzer's (1995) 12 item multi-dimensional measure was used to measure psychological empowerment as this has been the most frequently and successfully used measure for this construct (see for example, Hui *et al*, 2004; Spreitzer, 1996; Koberg *et al*, 1999, Siebert *et al*, 2004; Holdsworth & Cartwright, 2003). The measure consists of 4 dimensions designed to reflect Thomas & Velthouse's (1990) definition of psychological empowerment. Three items reflected each dimension. Menon (1999) also developed a 15-item, three component measure for psychological empowerment incorporating a subscale which he called goal internalisation[15]. The other two subscales although named differently (i.e. perceived control and perceived competence) are somewhat similar to the Spreitzer (1995) scale (Conger *et al*, 2000). Owing to the repeated use of the Spreitzer (1995) scale and as goal internalisation is not relevant to the present study, Spreitzer's (1995) scale was favoured over Menon's.

Role Ambiguity & Role Conflict

Rizzo *et al* (1970) reduced item scale for role ambiguity and role conflict was used, i.e. 6 items reflected role ambiguity and 8 items reflected role conflict. All items used a seven point Likert response format ranging from very false to very true. This measure

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[15] This is represented as an employees belief in the organisation for which they work and their willingness to act on its behalf.

was chosen above others as it has been shown to possess good psychometric properties (Kelloway & Barling, 1990) and it has commonly been used in marketing studies (Singh *et* al, 1994; Peterson *et al*, 1995; Boshoff & Allen, 2000; Chebat & Kollias, 2000; de Ruyter *et al*, 2001; Chung & Schneider, 2002; Rogers *et al*, 1994; Babin & Boles, 1998). For example Chebat & Kollias (2000) used this measure to test a hierarchical model in which empowerment is presented as an antecedent condition to role conflict, role ambiguity, self-efficacy and job satisfaction. They also used the banking industry as their research setting.

Self-efficacy

Self-efficacy was measured to determine the degree to which employees feel confident about their job skills and abilities. Jones (1986) 8 item measure for self-efficacy was used which is designed to measure employees' perceptions about their job skills, abilities, qualifications and confidence. This scale was chosen due to its employment in similar studies (see for example, Hartline & Ferrell, 1996; Chebat & Kollias, 2000). In other words this scale has been widely used to test models in a service setting using boundary-spanning employees.

Job Satisfaction

Job satisfaction was operationalised using 12 items of a scale developed by Churchill *et al* (1974). The use of this global scale enabled the overall measurement of job satisfaction without focusing on any one of the numerous reported dimensions of job satisfaction and hence prevented the need of including an excessive number of items. An alternative global job satisfaction measure that was considered was Babin & Boles (1998) as this and Churchill's *et al* (1974) measure were the two most frequently and

successfully used (see for example Donovan *et al*, 2004; de Ruyter *et al*, 2001; Hsieh & Hsieh, 2001; Homburg & Stock, 2004). Churchill *et al* (1974) was chosen finally as it had fewer items and had been used in similar studies (e.g. de Ruyter *et al*, 2001).

Customer Orientation

The 6 item customer orientation subscale of Narver & Slater's (1990) market orientation scale was used for this study as it has been frequently and successfully used in similar studies (cf Boles *et al*, 2001). This subscale was operationalised to measure a firm's level of customer orientation and was therefore modified to reflect an individuals level of customer orientation.

Training

Training was originally measured using six items adapted from Boshoff & Allen's (2000) measure. This measure was thought appropriate because within the six items it addressed three broad issues, i.e. whether training existed, the timing of the training and the continuity of the training. Further this measure was developed specifically for the training of employees in a banking context and was hence relevant to this study. This measure was also used in studies such as Ashill *et al* (2005) and Yavas *et al* (2003) who were testing service recovery models in the hospitality and banking industries respectively, demonstrating its robustness across different service settings. Additionally Yavas *et al* (2003) and Babakus *et al* (2005) incorporated this measure in questionnaires which were distributed in different Turkish banks to front-line employees, further demonstrating its robustness across different cultures.

Rewards

Rewards was measured by adapting a five-item measure (based on Murray & Schlacter, 1990) sourced from Boshoff & Allen (2000). Again this measure was used by Boshoff & Allen (2000) in a services context. However, it was used in a service recovery model where the aim was to measure the expectancy of rewards once employees had served their customers to a satisfactory level. Nonetheless, there seems to be a link between rewards and empowerment; as empowerment increases the responsibility of employees, it seems logical that for employees to fulfil this responsibility the incentive of receiving a reward will motivate the employee to serve their customers well.

Hence, as the present study aims to measure the effective implementation of empowerment and the effect of empowerment on service outcomes such as job satisfaction and customer orientation, this measure was considered appropriate. In other words as empowerment is a technique used to improve service outcomes such as employee and customer satisfaction (Bowen & Lawler, 1992) as well as service quality (Lashley, 1995) and customer orientation (Cardy, 2001), measuring the expectancy of rewards for both satisfied and customer oriented employees seems logical. Furthermore this measure had been used across different cultures and in different service settings demonstrating its robustness and vigour (Ashill *et al*, 2005; Babakus *et al*, 2005).

Information Sharing

This scale adapted 9 items from the Matthews *et al* (2003) scale. This scale was deemed most appropriate firstly because it was based on theory by Conger & Kanungo

(1988) and secondly because it did not simply address the sharing of information with respect to the employees rather it concentrated on the sharing of information with respect to the functioning of the organisation. Furthermore, this scale originates from a similar context as the present study.

Demographic Variables

In order to profile the characteristics of the respondents of each of the samples, five demographic variables were included. As the present research is specific to the front-line employee all of the demographic variables relate directly to the employee as opposed to relating to other 'back-office' staff within the organisation. The first two variables asked for the respondents' gender and age. To minimise the sensitivity concerning the age question, respondents specific age was not requested, instead a standard classification table was used. Subsequently, the highest level of education completed by the employee was asked. This was left as an open-ended question as the questionnaire had to be administered in two different countries and the education systems are different in each, for example the GCSE equivalent in India is called Matriculation. Thus predetermined responses could have created confusion and were consequently not used.

Next, the experience of the employees was measured by asking the number of years worked in their present organisation. Finally, the employee was asked for their current job title. This was a method of ensuring that the respondent of the questionnaire was definitely a front-line employee. If the respondent was not a front-line employee the

questionnaire would be discarded as inappropriate for the study, as incorporating it could alter the overall results.

3.2.2   Determine type of questionnaire & Method of Administration

This stage looks at *how* the information will be gathered once the researcher knows what information is needed. Again, due to reasons stated previously, a drop-off self-administered questionnaire will be used. Furthermore, due to time-constraints each branch will be given a two-week time limit within which they have to complete the questionnaires, ready for collection. It was necessary to specify a time-limit to the managers who were responsible for distributing the questionnaires as a large amount of data needed to be collected and consequently many branches needed to be visited to drop-off questionnaires to ensure that an adequate sample was obtained for each bank, in each country. This method is consistent with a similar study conducted by Hui *et al* (2004).

3.2.3   Determine content of each question

Obviously specifying what information is needed will largely determine which questions are used, however it is also important at this stage to addresses a few other issues. These include whether the question is necessary to provide the detail required, whether more than one question is needed to be asked in order to obtain this detail and whether or not the respondents are able to answer the questions that are being asked and finally whether they will be willing to part with the information (Churchill & Iacobucci, 2005).

For example the present study does not need to know how many and what qualifications each respondent has, rather (as specified) the only information needed is the highest completed level of education. Thus, instead of asking two or possibly three different question to ascertain this information only one is needed. Additionally certain questions such as age may need to be asked with a degree of sensitivity. Some respondents may not want to disclose their exact age and therefore using a classification table (of age ranges) may persuade them to. Another major problem can occur if the respondent does not know the answer to a question. For example a respondent will not be able to answer a question about a brand they do not use so it may be better to start with a filter question (Churchill & Iacobucci, 2005) such as "what brand of toothpaste do you use?" These issues need to be addressed in order to minimise item non-response and respondent fatigue especially when seeking sensitive information.

3.2.4   Determine form of response

At this stage it needs to be decided whether the form of response should be open-ended or fixed-alternative (close-ended), and if fixed-alternatives whether it should be a multichotomy, a dichotomy or a scale (Churchill & Iacobucci, 2005). Open-ended questions give the respondents the freedom to express their answers in their own words rather than limiting them to a set of pre-determined answers. This makes it harder to code and analyse the surveys. In contrast, close-ended questions make the questionnaire easier to standardise, code and then analyse (Bailey, 1982) as they require respondents to choose from a range of answers or descriptors (on a scale). This also tends to make the questionnaire look easy and quick to complete, thus encouraging more participants to fill them in. Despite these benefits, there are also

some limitations to using close-ended questions. Whereas dichotomous questions, only provide two possibilities scales and multichomous questions, provide several possibilities but the same problem occurs with both and that is the respondents answer may not be a true reflection of their opinion, it may be more complex (Churchill & Iacobucci, 2005).

However, bearing this in mind, close-ended questions were chosen as they are thought to minimise respondent fatigue and decrease the time needed to complete the survey, hence increasing the response rate. Consequently, the Likert scale was used in this study and all questions were tailored to fit a seven-point Likert scale anchored at strongly agree to strongly disagree[16]. A seven-point Likert scale was chosen as opposed to a five-point scale in an effort to reduce any bias against extreme responses (Pedhazur & Schmelkin, 1991). Additionally Churchill & Peters (1984) have shown that the more scale points used the more reliable the scale. However, using too many scale points may result in an increase in variability without a corresponding increase in precision. Thus, using more than seven scale points was not considered necessary.

Open-ended questions were used for descriptive purposes towards the end of the questionnaire, i.e. for the demographic variables. A dichotomous question was asked to classify gender and a standard classification table was used to categorise the respondents' age. The remaining three questions were all measured using open-ended ratio scales.

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[16] Following the pretest

3.2.5   Determine wording of each question

This is a very important stage when trying to eliminate item non-response (Churchill &
Iacobucci, 2005).   Care should be taken to use simple language and avoid ambiguous
words, and to avoid double-barrelled and leading questions.   The use of negatively and
positively worded items also needs to be carefully considered as they may not produce
desirable results (Churchill & Iacobucci, 2005).   Most importantly items should be
kept as short as possible.

Taking this into consideration many negatively worded items were changed to positive
wording[17] and longer items were rephrased.   Any double-barrelled items were either
eliminated or teased out to two separate items.

3.2.6   Determine the question sequence

This is also a crucial stage for eliminating item non-response (Churchill, 1999).
Churchill & Iacobucci (2005) recommend a few steps to follow to increase the success
of the survey.   These are a) to use simple interesting opening questions, b) to use a
funnel approach, i.e. begin with broad questions first and then progressively narrow
the focus, c) to place difficult or sensitive questions late in the questionnaire and d) ask
for classification information last.   These steps were incorporated whilst sequencing
the questions, for example broad questions relating to the organisations training and
reward schemes were asked at the beginning of the questionnaire, whereas questions
relating to the individual employees behaviour and attitude were asked half-way

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[17] Refer to Section 3.2.8.1

through the questionnaire. Finally all demographic questions were asked at the end of the questionnaire.

3.2.7   Concerning Self-Response Bias

Another important stage of questionnaire design is the concern of self-response bias. In order to avoid such bias certain precautionary measures were taken. For example the questionnaire was designed to be anonymous and contained a reassurance that no attempt to identify respondents or the organisation would be made. Furthermore, of major concern is the fact that all the constructs are measures of employee perceptions that may magnify the relationship between dependent and independent variables in this study. However, as there is no better source for the perception of workers, other than the workers themselves this is unavoidable and therefore other precautions were taken. Different response sets were used throughout the questionnaire (Refer to appendix 1.1), reverse-coded items were included, questions deemed as threatening were reworded or removed (once checked for content) and double-barrelled questions were either eliminated or teased out to make two separate questions (Nachmias & Nachmias, 1996). Finally, as the questionnaire was designed to be administered in two countries across three different organisations, there is an increasing confidence that self-response bias will not be a major concern.

After the construction of the questionnaire the next step is to pre-test the questionnaire and make any changes resulting from this, before it is ready for the actual data collection. Refer to Appendix 1.1 to see a copy of the questionnaire before the pre-test was conducted.

3.2.8   Pre-testing the questionnaire

This is an essential part of data collection as the researcher can assess individual questions as well as their sequence by testing the survey on respondents similar to those who will be used in the actual study. It is best if there are two pilots (Churchill & Iacobucci, 2005). Ideally, the first should be done by personal interview (i.e. protocols) where respondents are asked to think aloud as they answer the questions (Diamantopoulos *et* al, 1994) so the researcher can observe how questions are answered and whether any confusion with respect to question wording or content exists. The researcher should also ask for feedback to identify any ambiguities, unnecessary questions, and/or difficult questions (Reynolds *et al*, 1993).

Following the necessary changes (to reflect the comments of the interviewees) the researcher should conduct a second pilot (Churchill & Iacobucci, 2005). Firstly, it is important to administer the questionnaire to pilot respondents in exactly the same way as it will be administered in the main study (Tull & Hawkins, 1993; McDaniel & Gates, 2006) and also to "use respondents who are as similar as possible to the target respondents" (Hunt *et al*, 1982). This will control for any potential practical problems that may occur and may also give a better estimate of the response rate. Secondly, during this administration the time taken to complete the questionnaire can also be recorded to decide whether the length is reasonable or not. From here the questionnaire can be revised/shortened i.e. any unnecessary questions can be discarded and ambiguities can be resolved. Additionally this will help warn potential respondents in the actual study so the chances of them not completing the study due to the length of the survey can be minimised. A further advantage of piloting the questionnaire is that questions that are not answered as expected can be re-worded

and/or re-scaled. Finally the response to the pilot can help format the questionnaire in a more logical manner, i.e. it can help to sequence the questions.

3.2.8.1 Protocols

Four protocols from each country were undertaken, i.e. two from each type of bank with front-line employees. Following the protocols in the UK changes were made to the questionnaire that mainly involved changing the response scales to one that anchored at strongly agree to strongly disagree as opposed to having various scales whereby the interviewee had to keep checking the scale each time they answered a question (item)[18]. The interviewees found the use of different response scales extremely confusing and time-consuming which led to frustration and inaccurate answers. Hence, in order to decrease the likelihood of item non-response and incomplete questionnaires the questions were modified to fit with a single response scale, i.e. a seven-point Likert scale anchored at strongly agree to strongly disagree. In addition, some ambiguity with respect to certain items was noted and consequently they were either rephrased or eliminated. For example an item that was eliminated was 'I do not anticipate any problems in adjusting to work for this company'. This was deleted as it was only applicable for respondents who had recently joined the organisation. An example of an item that was re-worded was 'I have to do things that should be done differently'. The interviewee did not understand what the item was referring to and consequently the item was modified to 'I have to perform certain job-related tasks that I believe should be done differently'.

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[18] Question and item are used interchangeably

Additionally many of the negatively-worded items in section I caused the interviewees to take more time to answer them indicating that they were answering negatively and positively worded questions systematically differently. As a significant amount of time was taken to answer these questions and to decrease the likelihood of respondents systematically answering differently worded questions, the items in this section were reworded using positive wording. Furthermore, certain items in section G created confusion as they were written in different tenses, where some items were written in the past and some in the present. For example 'I could have handled a more challenging job than the one I am doing' was changed to 'I could handle a more challenging job than the one I am doing'.

Final changes involved modifying the physical characteristics of the survey as the interviewees were concerned with the number of questions per page rather than the actual length of the questionnaire. Hence, the column widths were adapted so that the pages looked like they had more white space and were not so crowded. As a result of this alternate shading (10%) was used for each item to help follow the items across the page and circle the correct corresponding number.

Following the changes made as a result of the UK changes, the later protocols in India suggested few problems with the questionnaire. Consequently only changes were made to the items under section H. The items were asked in terms of frequency as interviewees pointed out that circumstances changed at work continually[19]. For example, 'I receive an assignment without adequate resources and materials to execute it' was simply modified to 'I *often* receive an assignment without adequate resources

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[19] One interviewee said "we are told to satisfy our customers but we don't always have the means to do this".

and materials to execute it'. The questionnaire was now ready for the second pilot in both countries.

3.2.8.2   Drop-off Pretesting

Following the preliminary changes made as a result of the protocols; a small-scale study was undertaken to identify any other potential problems the final study may meet. However, owing to the fact that this is a cross-cultural study the size of the pretest sample had to be restricted (as this process would need to be carried out in every country and time constraints would deem this impractical for large sample sizes) and so in this instance an estimate of the response rate could not be made. This was deemed reasonable as drop-off questionnaires have a higher response rate due to their interactive nature (Hair *et al*, 2003).

Hunt *et al* (1982) report that there is no reason to believe that the size of the pretest sample is fixed but rather the size chosen should reflect the length of the questionnaire and the target population. Additionally as protocols had already been conducted and they are a more effective way of generating accurate and complete information via personal interaction and observation (Churchill, 1995) the pretest sample size did not have to be large.

For accuracy purposes the pre-test was conducted in the same way as the final study (Tull & Hawkins, 1993; McDaniel & Gates, 2006), i.e. a drop-off questionnaire. Bank managers from each country were contacted and asked if they would be willing to participate in the pre-test study. Once five managers in both countries had agreed (many after requesting to see the content of the questionnaire for security purposes) ten

questionnaires were dropped off in each branch. A letter explaining the nature of the study was attached to each questionnaire so no further instructions were deemed necessary. The managers were given a two-week time frame to ask ten of their front-line employees to complete the questionnaire. Consequently, 37 questionnaires were collected from the UK sample and 29 from the India sample, resulting in response rates of 74% and 58% respectively.

The slightly lower response rate from the India sample indicated a more 'laid-back' culture. Hence, for the final study follow-up calls and repeated contact are considered appropriate ways to boost the response rates. Despite the relatively varied response rates no other changes were required to be made to the questionnaire. Refer to Appendix 1.2 to see the final questionnaire. However, as no real estimation of the response rates could be ascertained from this pretest ways to improve response rates need to be examined and incorporated for the final study. Consequently, it was decided that personal contact would be made with each bank manager so that follow-up calls and/or e-mails could be made on a more personal basis so that they could motivate their staff to complete the questionnaires (an example of an e-mail can be seen in Appendix 1.3).

3.3   Sample Size

Hair *et al* (1998) recommend that to determine how many respondents are needed to gain statistical significance in data analysis there should be a minimum ratio of five times the number of parameters to be estimated, with a ratio of ten times the number of parameters being more appropriate. However Hair *et al* (1998) also advise considering other factors before determining sample size. These include the variability of the

population characteristic under consideration, the level of confidence desired in the estimate and the degree of precision desired in estimating the population characteristic. Statistical significance also influences sample size decisions as an increase in sample size will ultimately increase the likelihood of small effects to become statistically significant (Hair *et al*, 1998). Furthermore the perceived statistical analysis for the data also needs to be considered before determining the sample size (Hair *et al*, 1998).

The primary choice for data analysis in this study is structural equation modelling (SEM) as it is suitable for testing theoretical models which contain multiple interrelated dependence relationships (Hair *et al*, 1998). Second, SEM allows for the estimation of models with manifest variables and latent constructs such as job satisfaction and customer orientation. Specifically, multigroup analysis is going to be used so that measurement model equivalence can be explored in both countries simultaneously (Bollen, 1989). This procedure assumes that independent, random samples are available from each population in each culture.

There are a further four factors which impact sample size determinations when using SEM for analysis. These include model misspecification, model size, departures from normality and estimation procedure (Hair *et* al, 1998). Bearing all these factors in mind for the purposes of this research a minimum of 150 responses was required, but 200 or more would be the ideal. Thus, as the lowest response rate in the pre-test was 58%, a sample size of 300 was deemed sufficient for each sample.

3.3.1 Response Rates

Of the 300 questionnaires dropped off in each bank (indigenous and multinational) the following response rates were obtained.

Table 3.3 Summary of Response Rates

COUNTRY	INDIGENOUS BANK	RESPONSE RATE (%)	MULTINATIONAL BANK	RESPONSE RATE (%)
INDIA	157	52	168	56
UK	153	51	148	49

Due to the convenient nature of the samples obtained and as each branch of every bank was given the same time-frame within which the questionnaires needed to be completed estimating non-response error was not considered necessary. The primary reason for this is that many responses could not be obtained due to employee's being off sick or on holiday as specified by the relevant bank manager.

3.4   Missing Data

The following section discusses a problem which arose after the data were collected: missing data. Although the amount of missing data was small and varied it was common to both countries, hence careful consideration needs to be given for determining a suitable method for addressing this issue.

Missing data are inevitable with almost all research and cause two primary problems. Firstly, missing data decreases statistical power (i.e. missing data can cause non-significant effects in a data set that would otherwise be significant with a complete data set) and secondly it can cause bias in parameter estimates (Roth, 1994). There are various reasons why research comes back with missing data. Reasons include that the respondent didn't know the answer, didn't feel comfortable answering a question, skipped the question, or broke off before completing the questionnaire because the

question was too long. It is even possible to have missed a question due to the design

of the questionnaire.

However, in order to maximise the use of completed questionnaires it is important to

deal with missing data using an accurate technique. There are many ways of dealing

with missing data including simple techniques like listwise deletion, pairwise deletion,

and mean substitution/imputation.   More complex techniques include imputation

(regression imputation, hot-deck imputation) and maximum likelihood or related

methods such as expectation maximisation.

Two important factors that need to be considered when choosing a missing data

technique (MDT) are the amount of data missing and the specific type of missingness

(Roth, 1994).   The more data that is missing the more important is the MDT for

minimising bias. If the amount of missing data reaches between 15-20% the choice of

MDT can have substantial implications for the parameter estimates (Roth, 1994).

3.4.1   Types of missing data

Peters & Enders (2002) report that Rubin was the first to describe the nature of missing

data, who classified missing data as missing at random (MAR), missing completely at

random (MCAR) or neither. Hox (2000) reports that with MAR and MCAR data the

failure to observe a certain data point is assumed to be independent of the unobserved

(missing) value.   More precisely, Newman (2003) describes MCAR "as a random

mechanism for data loss in which the probability that any given datum is not recorded

is equal across all respondents, independent of the values on both the variable with

incomplete data as well as on all the other variables, measured or unmeasured".   In

other words MCAR exists when missing values are randomly distributed across all observations.

In contrast MAR is a condition which exists when missing values are not randomly distributed across all observations but are randomly distributed within one or more subsamples, i.e. the missingness may depend on other variables. For example if there was more missing values among whites than non-whites but the missing values were still random in each subsample then MAR would exist. If data are MAR or MCAR, it is said to be ignorable, in the sense that inference does not depend on it (Chen & Astebro, 2003) and so the "missingness" does not have to be modelled. Non-ignorable data therefore are data which are not missing at random and would require a model to account for the missing data. Once the type of missingness has been established the next step would be to decide which MDT would be most suitable to overcome the missing values. However, it is almost impossible to determine if your data are MAR or MCAR as practically data will be missing from a number of variables and to determine whether these variables are related may be very complex. Thus, the real importance is to determine whether the missingness is associated with values of the variables that are missing data.

3.4.2 Missing Data Techniques (MDT's)

3.4.2.1 Listwise deletion

This technique will eliminate all cases with data missing from any of the variables and has been used very frequently in the past by many researchers (Gilley & Leone, 1991) and is often the default option for analysis in many statistical software packages, such

as SPSS (Little & Rubin, 1987). However, owing to the fact that even one missing variable will lead to the deletion of the whole case, this technique sacrifices a large amount of data (Malhotra, 1987; Stumpf, 1978). Kaufman (1988) reports that sample sizes can drop by almost 65% using listwise deletion and such a large loss of data may decrease power (Gilley & Leone, 1991) and may also introduce bias in parameter estimation (Little & Rubin, 1987).

3.4.2.2 Pairwise deletion

This technique omits cases which do not have data on a variable used in the current calculation only. Hence, different calculations will utilise different cases and will have different sample sizes and so this technique tends to preserve more data than listwise deletion. However, in some procedures like structural equation modelling this technique can prevent analysis. This is due to the use of different subsets of cases which can lead to mathematically inconsistent correlations or a covariance matrix that is not positive definite (Malhotra, 1987).

When choosing which technique to employ the amount of missing data plays the most significant role. Roth & Switzer (1995) report that if less than 5% of the data are missing then the choice of technique will make little difference when computing correlations and regression weights, hence listwise and pairwise deletion seem the most logical choices. However, as the percentage of missing data rises above 10%, other techniques need to be considered, such as imputation techniques (Roth, 1994).

3.4.2.3 Mean substitution/imputation

This technique uses the mean value of a variable in place of the missing data values for that same variable (Roth & Spreitzer, 1995). An advantage of this technique is that no data is lost as all missing values for each variable will be substituted with the mean of the values that are already there for each variable (Roth, 1994). However, mean substitution decreases the variation of scores and this decrease in individual variables will increase as the amount of missing data increases. Reduced variance can bias correlation downward, or if the same cases are missing for two variables and means are substituted, correlation can be inflated. Thus, as the missing values are being substituted with average data points, this technique may considerably change the values of correlations and thus effect regression calculations. In other words, mean substitution in the case of one variable can lead to bias in estimates of the effects of other or all variables in regression analysis, because bias in one correlation can affect the beta weights of all variables.

3.4.2.4 Hot-deck imputation

This technique estimates a missing score by borrowing a score from a similar individual (Switzer *et al*, 1998). In other words researchers can find an individual who has given similar responses to one with missing values and then "borrow" the remaining values to substitute for the missing ones. This can be done easily by constructing a categorisation table (Roth, 1994).

3.4.2.5 Regression imputation

This technique uses related variables to estimate missing values (Roth & Switzer, 1995). In order to predict the values, regression equations would need to be developed

using data from complete cases for all variables (Roth & Switzer, 1995). There are a few variants of this technique (Roth, 1994). The basic alternative is regression-based single imputation (Graham & Hofer, 2000). This technique involves estimating the regression equation for subjects having complete data and then using the predicted score (Y-hat) for the variable that is missing. The slightly more complex alternatives are stepwise regression or iterative regression (Roth, 1994).

Whilst considering regression imputation it is important to realise that this technique can cause overestimation of regression weights when the entire population of scores are available for analysis (Roth & Switzer, 1995). This is much less likely when dealing with samples, because the variance in regression weights due to sampling values from the population and the subsequent use of sample regression weights to impute missing values, may cause less precise imputation and hence decrease or mitigate overestimation (Roth & Switzer, 1995).

In order for researchers to decide which MDT's are the most effective they tend to focus on measures of dispersion around the true scores (Switzer *et* al, 1998). Much research that has been done (using the above MDT's) show that typically regression imputation provides the least dispersion around true scores, followed by pairwise deletion and then listwise deletion which has the most dispersion around true scores (Switzer *et al*, 1998). However, researchers seem to favour imputation techniques over listwise and pairwise deletion strategies as they tend to save more data (Roth, 1994). Nonetheless, these basic techniques may be practical as they are widely available as default options on statistical packages, but they do not result in desirable statistical qualities and they often end up with bias parameter estimates (Peters &

Enders, 2002). In order to overcome these disadvantages, more complex MDT's such as full information maximum likelihood and expectation maximisation need to be considered.

3.4.2.6   *Maximum likelihood estimates*

There are several variants of maximum likelihood methods for estimating missing data, such as the multiple-group approach, full information maximum likelihood (FIML) and expectation-maximisation (EM) (Peters & Enders, 2002). Of these, EM seems to be the simplest and most desirable technique to use. Unlike the FIML approach, EM yields a mean vector and a covariance matrix that can be used to impute for subsequent general linear model analyses (Peters & Enders, 2002). The covariance matrix generated can also be used to impute missing values for the final EM iteration (read below) and this is beneficial as it gives the impression that it is in fact a complete data set (Peters & Enders, 2002). However, the main advantage of EM over FIML and multi-group estimators is that the EM technique can incorporate variables into the missing data treatment that are not part of the substantive model being tested (Enders, 2001).

EM is a two step procedure which alternates between an E (Expectation) step and an M (Maximisation) step (Collins *et al*, 2000). The E step is where missing data are predicted and these predictions are used to estimate sums, sums of squares, and cross products and the M step is where parameters are re-estimated based on the predicted missing data, i.e. to calculate the covariance matrix (Graham & Hoffer, 2000). Following this the updated covariance matrix (from the initial M step) is used to estimate the missing values during the next E step. This cycle continues until the

elements of the covariance matrix stop changing substantially (Graham & Hoffer, 2000). The major advantage of this technique is that the parameter estimates based on the analysis of the EM covariance matrix are excellent as they are unbiased and efficient (Graham & Hoffer, 2000). However, a major drawback of this technique is that there is no way of estimating standard errors. Nevertheless, as there was so little missing data from the surveys collected this was not deemed to be such a significant problem.

Considering the above although large amounts of data were not missing from the collected surveys EM was still preferred over the many other methods discussed due to its unique advantages, but mainly because the estimates generated are unbiased and efficient. Following the replacement of missing data all questionnaires were considered suitable for further analysis.

3.5   Summary of Methodology

This chapter detailed the general methodology used in this study. A self-administered measuring instrument was designed and used to survey samples of front-line employees across two different countries from (the same) multinational and indigenous banks. The survey was designed to adhere to the general guidelines published by Churchill (1999). Subsequent pretesting of the questionnaire was carried out in accordance with previous authors resulting in protocols and a pilot study similar to the one to be conducted in the final study. Consequently, 600 questionnaires were administered in each country (300 for each sample). Response rates of between 49% and 56% were achieved. Following the replacement of missing data via expectation maximisation all questionnaires received were useable for future analysis. This analysis is presented in the following three chapters.

4 DESCRIPTIVE ANALYSIS

The previous chapter detailed how data were collected from front-line bank employees across two countries (i.e. India and the UK), generating four samples. Included in these samples were two indigenous bank datasets and two multinational bank datasets.

In order to present the results obtained, the analysis will be split into two separate chapters. The present chapter will be concerned primarily with the descriptive analysis component. Essentially, the descriptive analysis had two main components, firstly analysis of the demographic profiling variables, where respondents were profiled on their gender, age, education and experience. The second component of the descriptive analysis was to test and refine the scales used, i.e. analysing the existing multi-item measures. It is necessary to perform such analyses mainly because the hypothesis-testing task of the present study will use multivariate analysis techniques. Thus before this is performed it is essential to identify and possibly minimise any violations of the test assumptions to enable a more robust interpretation of the results. Furthermore, the scale testing and refining will confirm that the scales are in fact measuring what they are supposed to be, validating them for inclusion in this study. Following this, the subsequent chapter will detail the model testing using the hypothesised model developed in chapter two.

Initially, in order to fulfil the research objectives the samples will be split into groups prior to analysis. The first group will be the **indigenous group**, consisting of the two indigenous bank samples and the second group will be the **multinational group** consisting of the two multinational bank samples. This split allows for national culture

to be the moderating variable in both groups, i.e. as each group had an Indian and a UK sample.

Thus this chapter will be divided into five sections to avoid repetition and increase simplicity and ease of reading. The first section will detail a *demographic profile of the responses for each sample*. The second section will detail the *process of factor analysis and the measures used*. The third section will include the *scale development of the indigenous samples* and the fourth section will include the *scale development of the multinational samples*. Finally, *a descriptive analysis of the individual scales for each sample* will be given. Again, this is to ensure that the resultant scales are appropriate for further use in hypothesis testing applications such as structural equation modelling.

Scale development and refinement was done using factor analysis. Initially all items were put into an exploratory factor analysis using SPSS 11.5 and results recorded. The remaining items were put into a measurement model (in their respective groups) and further analysed by confirmatory factor analysis using LISREL 8.54.

4.1   SECTION 1 – A Demographic Profile of the Responses

In this section the respondents from each sample are profiled. As discussed in chapter 3, four demographic questions were included in the measurement instrument including the front-line employees' gender, age, highest completed level of education and the number of years served with their present company.

UK Indigenous Sample

Respondent Gender

There were three missing values for this item. However, figure 4.1 shows that the distribution of gender among the front-line employees who responded to this question is relatively even as 53% were male and 47% were female.

Respondent Age

Respondents were asked to give their age using a standard classification table in order to minimise the sensitivity concerning this question. There were five values missing for this item. Of the remaining responses figure 4.2 shows that the majority of respondents were aged between 16 and 35 in this sample. This is not very surprising owing to the nature of the front-line position.

Respondent Education Level

Respondents were asked to give the highest level of educational achievement they had attained. This item was given an open response format so that respondents could indicate anything they had achieved. This was important as before graduation, the qualifications available to respondents from both cultures are different. Thirty two missing values were found for this item. This can be associated with lower levels of

achievement obtained by these respondents. From figure 4.3 it can be seen that the majority of respondents had achieved either 'O' or 'A' levels, although a relatively large proportion of respondents (i.e. 33%) had achieved some type of degree. Consequently, respondents who have basic secondary education may have felt embarrassed by this question and therefore left it blank. On the other hand, the high proportion of respondents with a degree (i.e. 33%) is quite surprising as a front-line position does not necessarily warrant this level of education. However, this could be due to the competitive nature of the job market which has encouraged many young people to pursue a further education. As 78% of respondents in this sample were aged between 16 and 35, it is likely that this has influenced the high level of degree qualifications observed.

Respondent Experience

Respondents were asked to give the number of years they had worked in their present organisation. There were six missing values for this item. The number of years worked varied from a maximum of 25 years to a minimum of 1 year. The mean number of years worked was 4.22 and as expected the majority of respondents (84.4%) had worked in their present company between 1 and 6 years. This is not surprising as working at the front-line position is generally a stepping stone to advancement in careers.

India Indigenous Sample

Respondent Gender

There was one missing value for this item. From figure 4.1 it can be seen that the distribution of gender in the India indigenous sample differed significantly from the

UK's, as the ratio of men to women was much higher in India. In other words 71% of the respondents in this sample were men and the remaining 29% were women. This is not completely unexpected as in Asian cultures men are thought to be more concerned about earning money and being the breadwinner whereas women are supposed to stay at home to take care of the home and family (Hofstede & Hofstede, 2005). This trend may exist in India explaining the high percentage of men compared to women.
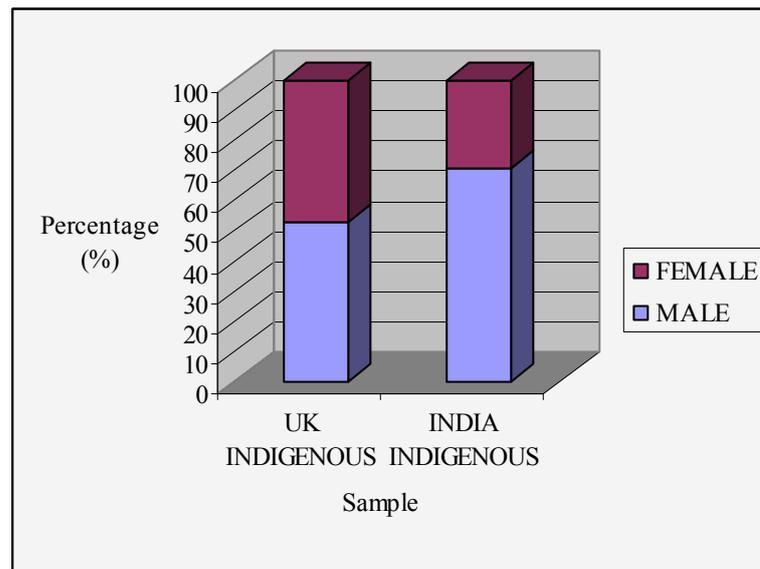
Figure 4.1 - Comparison of Respondents Gender in Indigenous Group

Respondent Age

Again there was one missing value found for this item. Figure 4.2 shows that the majority of respondents were aged between 36 and 45 in this sample (i.e. 42%). The average age is higher in this sample than in the UK's possibly because working in a bank is considered a higher status position in India than in the UK (Hofstede, 2001). This suggests that employees in India work towards building a career in a bank or similar organisation whereas in the UK employees may work in a bank to gain experience rather than settle in their careers. This can be supported by the higher percentage of younger staff in the UK indigenous sample.
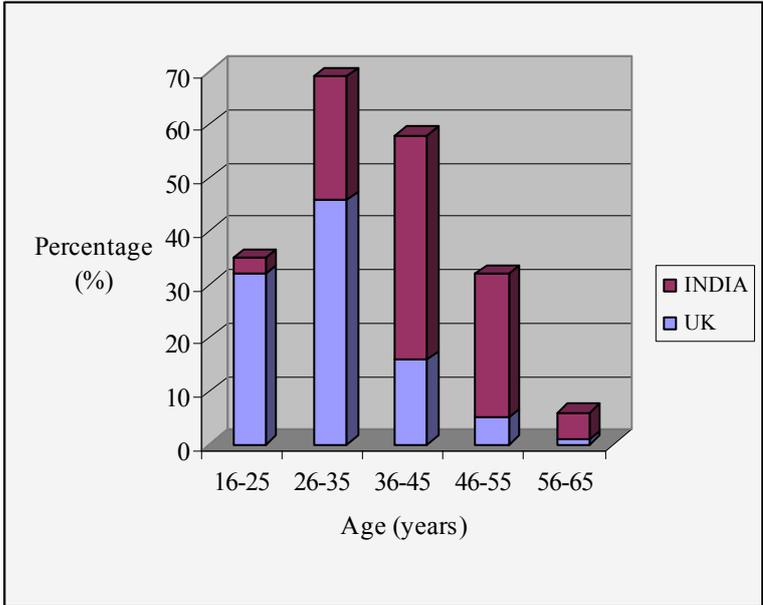
Figure 4.2 - Comparison of Respondents Age in Indigenous Group

Respondent Education Level

One missing value was found for this item. The statistics generated from this sample suggest that the respondents were well educated. Figure 4.3 shows that over half of the respondents were graduates (i.e. 55%), followed by 40% who were postgraduates. The remaining 5% was made up of respondents who had a professional qualification or GCSE's or 'A' levels. As Indians perceive working in a bank to be a high-status job this finding is not completely unexpected. There is a general tendency to obtain higher levels of education in order to seek employment in a higher-status job (Hofstede, 2001). Additionally the dense population and associated competitiveness in the job market may contribute to the higher levels of education observed in this sample.
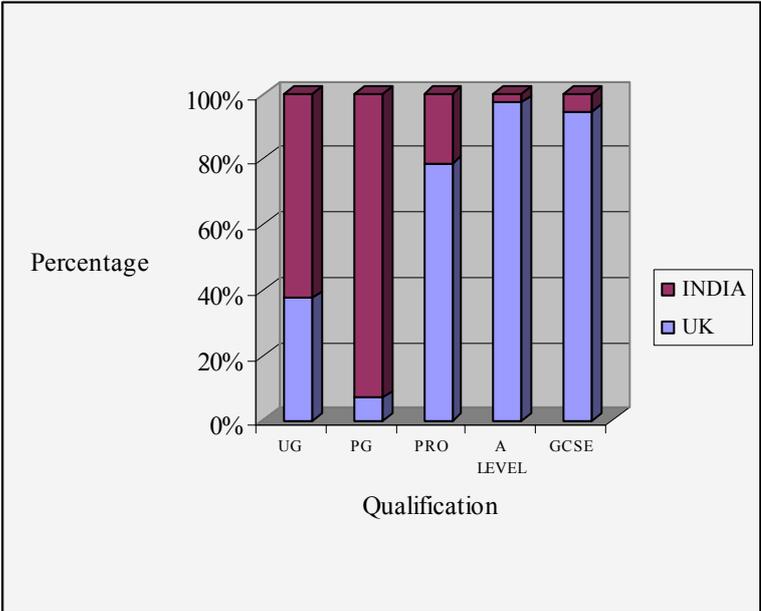
Figure 4.3 - Comparison of Respondents Education Levels in Indigenous Group

Respondent Experience

There were two missing values for this item. The number of years worked varied from a minimum of 1 year to a maximum of 38 years. The mean number of years worked in their present organisation was 17.38 years. This again indicates that Indians are more interested in settling and building their careers rather than gaining experience and moving on.

UK Multinational Sample

Respondent Gender

There were three missing values for this item. The distribution of gender in the UK multinational sample is relatively even where 45% were men and 55% were women. This can be seen in figure 4.4.

Respondent Age

Similar to the indigenous UK sample the majority of respondents in this sample were aged between 16 and 35 (i.e. 84%), of which 48% were aged between 26 and 35. The distribution of age in this sample can be seen in figure 4.5. Again owing to the nature of the front-line position in such as culture this is not surprising.

Respondent Education Level

There were thirty six missing values for this item. Again, similar to the UK indigenous sample, this could have been due to lower levels of achievement attained by the respondents overall. Out of the respondents who answered this question, 12% had attained GCSE's, 44% had achieved either 'O' or 'A' levels, 8% had obtained a diploma, 30% had a degree and the remaining 6% had achieved a postgraduate qualification. Figure 4.6 shows that although a considerable number of respondents had achieved a degree or higher, the majority of respondents were only educated up to secondary or higher secondary level. Again the relatively young age of respondents from this sample could have influenced the high number of degree qualifications observed.

Respondent Experience

There were fifteen values missing for this item. The number of years worked, varied from a minimum of 1 year to a maximum of 25 years. The average number of years worked in the present organisation was six years, and as expected the majority of respondents (i.e. 77%) had worked in their company between 1 and 7 years. The average number of years is slightly higher than in the UK indigenous sample as it can be argued that there is a higher scope for progression in a multinational organisation

compared with a national one, thus respondents may be more inclined to remain in their jobs slightly longer.

India Multinational Sample

Respondent Gender

There were two missing values found for this item, however out of the remaining responses, surprisingly the distribution of gender in the organisation was equal. In other words there were an equal number of men and women working in this sample of the Indian multinational organisation, similar to the distribution in the UK multinational organisation (see figure 4.4). This is somewhat surprising due to the inherent belief in Asian cultures that women are meant to stay at home and maintain more tender roles (Hofstede & Hofstede, 2005).
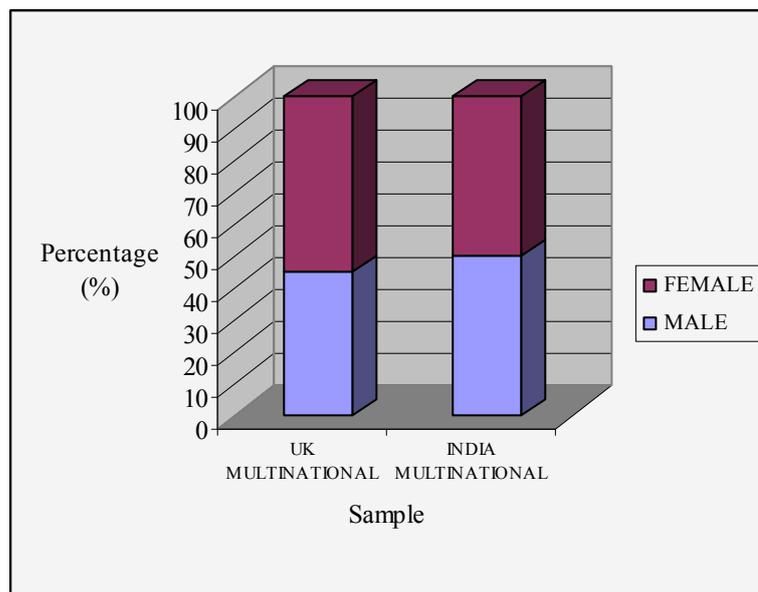
Figure 4.4 - Comparison of Respondents Gender in Multinational Samples

Respondent Age

There were three missing values for this item. The distribution of age in this sample is quite different to that of the indigenous Indian sample as the present sample showed a

majority of respondents who were aged between 16 and 35 (i.e. 83%). However, from figure 4.5 it can be seen that this is very similar to the distribution of age in the UK multinational sample. This combined with the even distribution of gender is indicative of a possible different organisational culture maintained by the Indian multinational organisation. In other words as the origin of the bank is from a predominantly low power distance culture where equality is accepted as the norm, the bank may have a different recruitment process to an indigenous bank, whereby they seek an even but somewhat younger mix of employees.
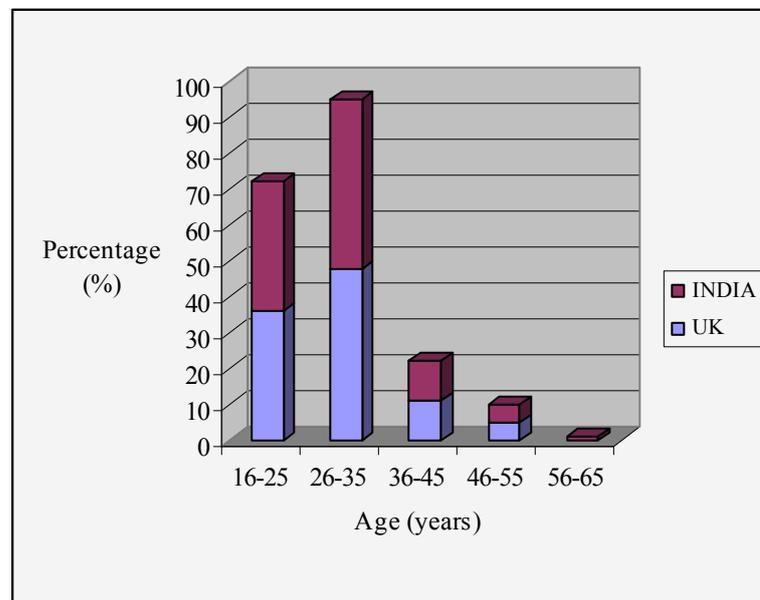
Figure 4.5 - Comparison of Respondents Age in Multinational Samples

Respondent Education Level

There were three missing values for this sample. Similar to the indigenous Indian sample all respondents seemed to be well educated in this sample as well. Out of the 165 responses, 36% had a degree, 58% had a postgraduate qualification and the remaining 6% had either a professional qualification or a diploma. As previously discussed, the high levels of education observed are possibly due to the perception that

working in a bank is a high-status job and this would be even more pertinent in this sample as it is a multinational bank. Figure 4.6 shows that the distribution of qualifications between the two multinational samples is somewhat similar to the distribution between the two indigenous samples.
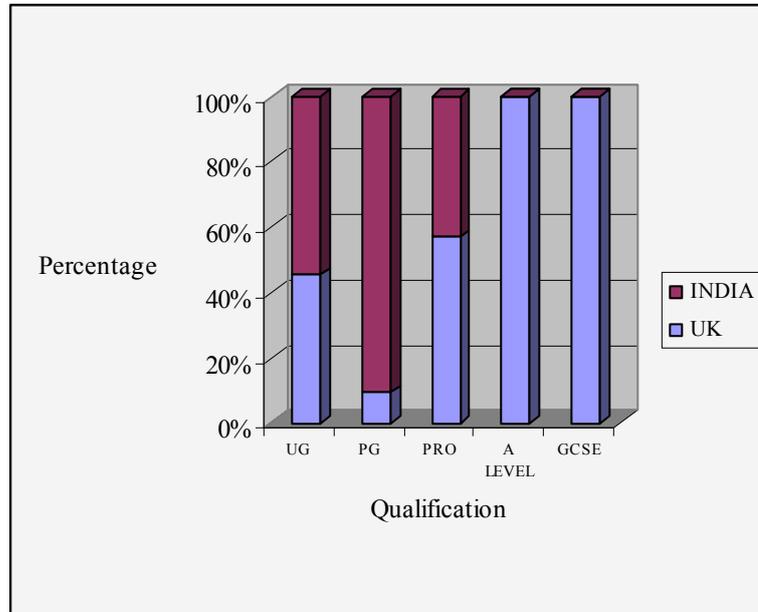
Figure 4.6 - Comparison of Respondents Education Levels in Multinational Samples

Respondent Experience

There were three missing values for this item. The number of years worked varied between a minimum of 1 year to a maximum of 20 years. The average number of years worked in the present organisation was only 3.19 years compared to 17.38 years in the indigenous Indian sample, where the majority (i.e. 95%) had worked between 1 and 7 years. This could possibly be attributed to the fact that the multinational organisation has not been present in India for a long period of time and the responses indicating a higher number of years could have been expatriates who have been sent to India for training purposes.

The demographic profiling of all of the samples illustrates a similar distribution of gender, age, education and experience in the two UK samples. However the two India samples differed quite significantly, with respect to the distribution of gender, age and level of experience. This suggests the possible influence of the organisational culture inherent in the Indian multinational sample which encourages an even mix of males and females and seeks to employ relatively younger employees which they may believe to be an important characteristic of a front-line employee due to its boundary-spanning nature.

However, the present study is focusing on differences between the two indigenous and two multinational samples in each country. Thus it is more important to compare the demographic responses accordingly and not just compare the within country differences. Although the two indigenous samples show more differences in the distribution of age, gender, education and experience, compared with the two multinational samples, this is not completely unexpected due to the inherent beliefs associated with each culture. For example, the multinational samples differed less in distribution of gender and age and this is possibly due more to the organisational culture of this bank (e.g. recruitment policies) rather than the culture of the country. On the other hand, the differing distributions of gender and age in the indigenous samples indicate the role of the national culture rather than the culture of the individual organisations. Consequently it appears that the samples obtained are representative of each population.

4.2   SECTION 2 – Factor Analysis

Factor analysis is a method used to examine how underlying constructs influence the responses on a number of measured variables. There are two key types of factor analysis: exploratory and confirmatory. Exploratory factor analysis (EFA) endeavours to discover the nature of constructs influencing a set of responses whereas confirmatory factor analysis (CFA) tests whether a specified set of constructs is influencing responses in a predicted way. Hence, to perform CFA the factor structure is known or hypothesised *a priori* (Sharma, 1996).

However both types of factor analyses are based on the common factor model, (Kelloway, 1998) illustrated below in figure 4.7. This model suggests that an observed response (also known as indicators: X1 to X5) is influenced partially by underlying common factors (also known as latent variables: F1 and F2) and partially by underlying unique factors (also known as error variances: E1 to E5). The strength of the link between each factor and each measure varies, such that a given factor influences some measures more than others.

Figure 4.7 Common factor model

(adapted from Kelloway, 1998)

Factor analyses are performed by examining the correlations (or covariances) between the observed measures. Measures that are highly correlated (either positively or negatively) are likely to be influenced by the same factors whereas those that are relatively uncorrelated are likely to be influenced by different factors (Hair *et al*, 2006).

The objectives of EFA are primarily to estimate the number of common factors influencing a set of measures and to estimate the strength of the relationship between each factor and each observed measure. EFA is commonly used to suggest the dimensionality of a measurement scale. It is also used to identify the nature of constructs underlying responses in a specific content area and to determine what features are most important when classifying a group of items. Thus, factor analysis not only offers the possibility of gaining a clear view of the data but also the possibility of using the output in subsequent analyses (i.e. model testing).

4.2.1   Analysing Existing Measures

Each construct was measured using published multi-item scales modified to provide a seven-point Likert scale response option, anchored at strongly agree to strongly disagree[20]. Although predetermined measures had been used this analysis was still carried out to verify that they were suitable for the present research. Thus a two-step procedure was undertaken, beginning with EFA and Cronbach's alpha and followed by CFA. Due to the size of the samples, CFA was not used as a confirmatory procedure of EFA as this would require a separate sample, it was instead used as a more

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[20] Refer to section 3.2.1

exploratory technique, consisting of model respecification following EFA on the same sample (Gerbing & Anderson, 1988).

4.2.2   Unidimensionality and Validity

"Unidimensional measures mean that a set of measured variables (indicators) has only one underlying construct" (Hair *et al*, 2006). Gerbing & Anderson (1988) argue that this is one of the most important assumption in reflective scale development theory. In, other words a multi-item measure such as psychological empowerment should measure psychological empowerment only and nothing else of any further significance.   However, unidimensionality does not provide full evidence of a measure's validity (Hair *et al*, 2006).

Validity is the extent to which a construct measures what it is supposed to measure (Churchill, 1999; Hair *et al*, 2003). The three most accepted forms of validity are convergent, discriminant and nomological validity (Hair *et al*, 2006). However, the existing scales will only assess convergent and discriminant validity as the scales had all been subject to relatively rigorous development in previous studies, and their repeated use in market and management research assumed that their nomological validity to be sufficient.   Further, the theoretical model provides evidence of nomological validity.

Convergent validity assess "the degree to which two measures of the same concept are correlated" (Hair *et al*, 2006), whereas discriminant validity assesses whether a measure is distinct from measures of other constructs (Hair *et al*, 2006). Convergent validity is indicated when items of a specific construct share a high proportion of

variance in common (Hair *et al*, 2006). This can be tested in many ways including by checking the size of factor loadings, where high loadings on a factor would indicate that they converge on some common point. Further tests include calculating the average variance extracted and composite reliabilities of the constructs. On the other hand to test for discriminant validity the correlations between the constructs should be low. Both convergent and discriminant validity will be assessed using confirmatory factor analysis which will be discussed in the subsequent data analysis sections.

Dimensionality and validity can also be tested by exploratory factor analysis and internal consistency, which applies to the consistency among the variables in a scale, where the indicators of the scale should all be measuring the same construct and therefore be highly intercorrelated (Churchill, 1979).

Internal consistency is typically measured using Cronbach's alpha (Churchill, 1979) where a high value indicates high levels of internal consistency. However, generally the more the number of items, the larger the value of Cronbach's alpha, therefore researchers must place more rigorous requirements when using scales with a large number of items (Gerbing & Anderson, 1988; Hair *et al*, 2006).

Dimensionality, however, can be assessed using an exploratory factor analysis to determine whether there is a single factor underlying the measure or multiple factors. Further information on dimensionality can be obtained from confirmatory factor analysis (CFA) which is a more stringent method of assessing dimensionality (Gerbing & Anderson, 1988).

4.2.3   EFA & Internal Consistency

EFA was conducted on each scale individually, using SPSS 11.5. As all of the scales used were pre-existing and thus had already been subjected to considerable amounts of analysis, a recommended value of 0.7 was used to evaluate internal consistency (i.e. Cronbach's alpha) (Churchill, 1979).   To determine the suitability of performing EFA on the items, two criteria were applied to the scales.

The Bartlett's test of sphericity was used to provide a statistical measure of homogeneity and to test for the presence of correlations amongst the variables. A significant Bartlett's test result indicates that the correlation matrix is not orthogonal (i.e. the variables are correlated amongst themselves) (Sharma, 1996) and is therefore, suitable for factoring. However, this test is very sensitive to sample size (Sharma, 1996) and so should not be used independently to assess suitability for EFA. Consequently, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was also used, which determines the extent to which variables are homogenous. This test can take values ranging from 0 to 1 where values above 0.5 generally imply that the data are suitable for factoring (Hair *et al*, 1998; Sharma, 1996).

When examining the loadings of each item on the extracted factors, a minimal loading of 0.45 was used as the lower boundary for a significant loading. This was determined due to the size of each sample. Hair *et al* (1998) recommends for a sample size of over 350 cases a lower boundary of 0.3 can be applied to be significant at the 5% level. Hence as the sample sizes in the current study vary between 148 and 168 a lower bound of 0.45 was applied (Hair *et al*, 1998; 2006).

The EFA procedure used to perform the factor analyses was principal components analysis (PCA) that is orthogonally rotated based on the Varimax procedure. Varimax rotation was chosen above an oblique rotation, as many of the measures previously developed appeared to have used orthogonal rotations. Furthermore, Varimax is the most popular factor rotation method which focuses on simplifying the columns in a factor matrix and is generally considered the most superior orthogonal factor rotation method to achieve this (Hair *et al*, 2006). During an orthogonal rotation the factors are rotated so they are independent of each other and the correlation between them is zero whereas during an oblique rotation the derived factors are permitted to be correlated with one another (Hair *et al*, 2003). Although factors are almost always correlated in reality, researchers tend to choose orthogonal rotations to meet the statistical assumptions of their research problem and thus represent the factors as uncorrelated (Hair *et al*, 2003). Additionally orthogonal rotation methods are preferred when the data is to be used for other subsequent multivariate techniques (Hair *et al*, 2006).

4.2.4   CFA Procedure

Subsequent to the EFA procedure the resultant scale items were further analysed by confirmatory factor analysis (CFA) using maximum likelihood estimation (MLE). This procedure was carried out using LISREL 8.54. The primary objective of a CFA is to determine the ability of a predefined factor model to fit an observed set of data (Sharma, 1996), thus models hypothesising that each item reflected its relevant latent construct were specified and tested.

Before proceeding it is important to recognise that CFA is reasonably sensitive to sample size (Kelloway, 1998), where recommendations range from 100 to 200 (Hair *et*

al, 1998). All sample sizes meet this recommendation however an additional ratio of the number of respondents per parameter estimate should also be calculated to meet the recommended 5:1 (Hair *et al*, 1998). Following the first purification procedure a total of nine parameters totalling 75 items were left to input into CFA. As this would require a sample size of 375, the model was broken down to obtain an adequate ratio (Kelloway, 1998). Hence the initial CFA for all four samples was carried out on a **simple model** to include the constructs of relational empowerment, psychological empowerment, job satisfaction and customer orientation, which resulted in 37 items. Figure 4.8 illustrates the structural relationships of the simple model.

Figure 4.8 Structural Relationships for Simple Model
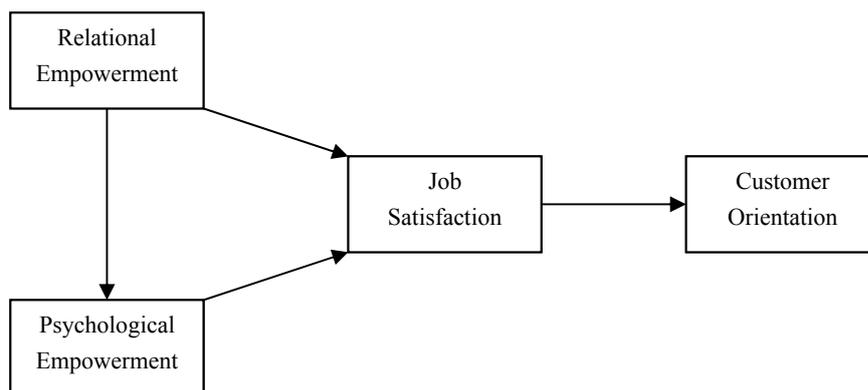
These measures were purified by removing items that had a strong influence on any model-fit problem, such as items which appeared to have highly correlated errors (Kelloway, 1998). Once these measures had been purified, two different confirmatory factor analyses were carried out for each group. For the indigenous group both the antecedents and mediators were added to the simple model[21] (i.e. training, rewards, information sharing, role conflict and self efficacy). However, for the multinational group, only the mediators (i.e. role conflict and self-efficacy) were added to the simple

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[21] Refer to figure 5.1 for an illustration of this model

model. This is primarily because during preliminary analysis the multinational group encountered significant problems, where equivalence of measures between these two samples (particularly for the antecedents) could not be established. Thus, a **mediator model** was tested individually for the two multinational samples[22].

The next step in the analysis procedure was to re-test for reliability as Gerbing and Anderson (1998) reason that Cronbach's alpha will tend to underestimate reliability if the items do not have equal reliability, or if the number of items per scale is small. Hence construct reliability was assessed by calculating composite reliability and variance extracted values. These values test for convergent validity which refers to the degree to which the different approaches to construct measurement are similar to other approaches that it theoretically should be similar to (Sureshchandar *et al*, 2002). Composite reliability measures the internal consistency of the construct items showing the degree to which they test for the latent construct (Hair *et al*, 1998). According to Bagozzi and Yi (1988) the desirable value for composite reliability is 0.6 or greater. Composite reliability (CR) can be calculated using the following formula.

$$CR = \left(\sum\lambda\right)^2 / \left[\left(\sum\lambda\right)^2 + \sum(\theta)\right]$$

where λ = indicator loadings

θ = indicator error variances

$\sum$ = sum of

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[22] Refer to figure 5.2 for an illustration of the mediator model

Average variance extracted is a complimentary measure for reliability and "reflects the overall amount of variance in the indicators accounted for by the latent construct" (Hair *et al*, 1998). Fornell and Larcker (1981) recommend that the variance extracted value should be greater than 0.50. Average variance extracted (AVE) can be calculated using the following formula.

$$\text{AVE} = \left(\sum \lambda^2 \right) / \left[\sum \lambda^2 + \sum(\theta) \right]$$

where λ, θ and $\sum$ are defined as above.

4.3   SECTION 3 – Indigenous Group

4.3.1   Individual Scale Results

Training

Training was originally measured using six items adapted from Boshoff and Allen (2000) scale. Cronbach's alpha for both samples were well above the recommended 0.7 (Churchill, 1979). Additionally EFA extracted one factor in both samples where both explained more than 60% of the variance. The KMO and Bartlett's tests were also indicative of appropriate data sets thus all six items were kept at this stage. Table 4.1 details the EFA results.

Table 4.1 – EFA Results for Training

	UK	India
Scale Item	**Factor Loading**	**Factor Loading**
I received continued training to provide good service	0.753	0.691
I receive extensive customer service training before I come into contact with customers	0.790	0.751
I receive training on how to serve customers better	0.874	0.805
I am trained to deal with customer complaints	0.837	0.768
I receive training on dealing with customer problems	0.840	0.866
I receive training on how to deal with complaining customers	0.845	0.842
Cronbach's Alpha	0.905	0.876
Total Variance Explained (%)	68	62
KMO	0.821	0.850
Bartlett's Test, df = 15, *p* = 0.000	611.733	470.571

Information Sharing

This scale adapted 9 items from the original Matthews *et al* (2003) scale. Cronbach's alpha for both samples was well above the 0.7 threshold (Churchill, 1979) and EFA extracted one factor for both samples. Additionally over 50% of the variance was

explained by this one factor. The KMO and Bartlett's tests revealed appropriate data sets hence, all nine items were retained at this stage. Table 4.2 presents the EFA results.

Table 4.2 – EFA Results for Information Sharing

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Company provides info on what it wants to accomplish	0.702	0.723
I am given access to financial records of the company	0.456	0.603
Company provides info on how to achieve objectives	0.814	0.796
Company disseminates info efficiently	0.809	0.708
Company publishes info on reward structure	0.808	0.794
I have necessary info to serve customers	0.674	0.775
I am kept informed about company	0.807	0.778
I know how to get necessary info to serve customers	0.676	0.800
I am given sufficient info about my clients	0.683	0.737
Cronbach's Alpha	0.870	0.899
Total Variance Explained (%)	52	56
KMO	0.851	0.843
Bartlett's Test, df = 36, *p* = 0.000	706.157	791.443

Rewards

This scale used five items adapted from Murray and Schlacter (1990). Cronbach's alpha revealed highly appropriate values. The extraction of one factor explained more than 70% of common variance in both samples. Furthermore the KMO and Bartlett's tests were both indicative of appropriate data sets. Thus, all five items were retained at this stage. Table 4.3 presents the results.

Table 4.3 – EFA Results for Rewards

| | UK | India |
	Factor Loading	Factor Loading
Scale Item (reduced wording)	Factor Loading	Factor Loading
I will be rewarded for improving levels of customer service	0.806	0.812
Rewards received are based on customer evaluations	0.877	0.890
I am rewarded for serving customers well	0.934	0.878
I am rewarded for dealing effectively with customer problems	0.931	0.892
I am rewarded for satisfying customers	0.919	0.770
Cronbach's Alpha	0.936	0.902
Total Variance Explained (%)	80	72
KMO	0.885	0.840
Bartlett's Test, df = 36, *p* = 0.000	706.254	505.448

Psychological Empowerment

Psychological empowerment was originally measured using a four dimensional scale comprising of twelve items developed by Spreitzer (1995).   EFA yielded unexpected results for both samples. From table 4.4 it can be seen that the UK sample extracted two factors for this measure whereas the India sample extracted three. However, the loadings were still somewhat similar, where the meaning and competence dimensions of psychological empowerment have loaded on the same factor (i.e. factor 2) with the exception of two items (i.e. my job activities are personally meaningful to me and the work I do is meaningful to me). The former item loaded on factor 1 with significant cross-loading on factor 3 in the India sample. The latter item had significant cross-loadings in the UK sample loading on both factors.

Likewise the self-determination and impact dimensions have also loaded on the same factor (i.e. factor 1) with the exception of one item (i.e. I have significant autonomy in determining how I do my job). This item had a significant cross-loading in the UK sample whereas in the India sample it loaded onto factor 3.

Thus, the EFA results already imply that this measure may not have measurement invariance as it suggests that only two dimensions of psychological empowerment exist. Hence, it can be reasoned that four dimensions are not necessary in tapping psychological empowerment. Owing to the widespread use of this measure in previous studies these results are somewhat surprising. However, looking back at the "meaning" of each dimension offers some explanation as to why these EFA results were obtained. Meaning and competence both relate to employees' own beliefs and values to how well they perform in their jobs/goals. Similarly self-determination and impact both relate to an employees ability to influence work outcomes or actions. However, all four dimensions reflect an active orientation to a work role (Spreitzer, 1995). Thus, it can be argued that psychological empowerment is in fact a unidimensional measure, so rather than losing items corresponding to any of the dimensions and consequently losing the degree of 'felt' empowerment (Spreitzer, 1995) it would be better to retain all items and force them to load onto one factor. This argument can be partially supported by Spreitzer (1995) as she reported that taking away a dimension will reduce the degree of felt empowerment although it would not completely eliminate it.

Table 4.4 – First EFA Results for Psychological Empowerment

Measurement Items[23]	UK		India		
	Factor Loading 1	Factor Loading 2	Factor Loading 1	Factor Loading 2	Factor Loading 3
The work I do is important to me *(M)*		0.830		0.714	
My job activities are personally meaningful to me *(M)*	0.438	0.620	0.574	0.379	0.462
The work I do is meaningful to me *(M)*	0.472	0.701		0.629	
I am confident about my ability to do my job *(C)*		0.826		0.809	
I have mastered the skills necessary to do my job *(C)*	0.410	0.448		0.691	
I have the skills and abilities to do my job well *(C)*		0.620		0.788	
I have significant autonomy in determining how I do my job *(S)*	0.629	0.529	0.309	0.319	0.736
I can decide on my own how to go about doing my work *(S)*	0.716	0.404	0.615		
I have considerable opportunity for independence in how I do my job *(S)*	0.733		0.646		
I have a large impact on what happens in my department *(I)*	0.805		0.682		
I have a great deal of control over what happens in my department *(I)*	0.864		0.832		
I have significant influence over what happens in my department *(I)*	0.807		0.739		

The second EFA results for this measure can be seen in table 4.5. Cronbach's alpha was significantly above the 0.7 threshold for both samples (Churchill, 1979). The KMO and Bartlett's tests gave no reason to believe the data were not suitable for EFA analysis. Thus all twelve items were retained for further analysis.

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[23] Letters in brackets indicate factor dimensions for the individual items, i.e. M – Meaning, C – Competence, S – Self-determination, I - Impact

Table 4.5 – Second EFA Results for Psychological Empowerment

	UK	India
Scale Item	**Factor Loading**	**Factor Loading**
The work I do is important to me	0.746	0.667
My job activities are personally meaningful to me	0.737	0.605
The work I do is meaningful to me	0.816	0.607
I am confident about my ability to do my job	0.597	0.711
I have mastered the skills necessary to do my job	0.603	0.631
I have the skills and abilities to do my job well	0.621	0.677
I have significant autonomy in determining how I do my job	0.822	0.540
I can decide on my own how to go about doing my work	0.805	0.622
I have considerable opportunity for independence in how I do my job	0.688	0.620
I have a large impact on what happens in my department	0.764	0.687
I have a great deal of control over what happens in my department	0.821	0.688
I have significant influence over what happens in my department	0.773	0.610
Cronbach's Alpha	0.923	0.867
Total Variance Explained (%)	80	41
KMO	0.909	0.841
Bartlett's Test, df = 66, _p_ = 0.000	1143.721	709.577

Relational Empowerment

Relational empowerment was measured on a fourteen-item scale developed by Hayes (1994). Cronbach's alpha was above the 0.7 recommended threshold (Churchill, 1979). EFA extracted one factor and the KMO and Bartlett's tests indicated appropriate data sets in both samples. However, there were two insignificant loadings in the UK sample and one in the India sample. After deleting these items the analysis was re-run and consequently eleven items were retained for further analysis. Table 4.6 presents the first EFA for this measure and table 4.7 details the results following deletion of the insignificant items.

Table 4.6 – First EFA Results for Relational Empowerment

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Allowed to do almost anything	0.747	0.725
Have a lot of responsibility	0.673	0.497
Have authority to correct problems	0.768	0.727
Encouraged to use initiative	0.684	0.765
Wish management would give me more authority	**NS**	0.620
Have to go through many regulations to change things	0.462	**NS**
Have a lot of control over job	0.639	0.628
Do not need management approval	0.509	0.515
Encouraged to handle job-related problems	0.763	0.764
Allowed to take charge of problems	0.791	0.728
Able to make changes	0.753	0.456
Would like a job allowing more authority	**NS**	0.473
Have to follow rules and regulations closely in job	0.527	0.638
Have complete freedom to perform job	0.696	0.653

Table 4.7 – Second EFA Results for Relational Empowerment

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Allowed to do almost anything	0.758	0.768
Have a lot of responsibility	0.683	0.477
Have authority to correct problems	0.799	0.717
Encouraged to use initiative	0.709	0.769
Have a lot of control over job	0.590	0.619
Do not need management approval	0.492	0.584
Encouraged to handle job-related problems	0.757	0.791
Allowed to take charge of problems	0.804	0.755
Able to make changes	0.760	0.480
Have to follow rules and regulations closely in job	0.500	0.553
Have complete freedom to perform job	0.706	0.697
Cronbach's Alpha	0.835	0.802
Total Variance Explained (%)	48	44
KMO	0.833	0.841
Bartlett's Test, df = 55, p = 0.000	899.318	721.361

Self Efficacy

Self efficacy was measured on a six-item scale developed by Jones (1986). Cronbach's alpha revealed a very small value for the India sample at 0.492. In order to increase this to the recommended bound, item 6 was deleted. This left appropriate alpha values for both samples. EFA extracted one factor and the KMO and Bartlett's tests provided evidence for appropriate data sets, thus the remaining five items were retained for future analysis. Table 4.8 presents the results.

Table 4.8 – EFA Results for Self Efficacy

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
I feel I am overqualified to do my job	0.734	0.710
I have all the technical knowledge needed for my job	0.803	0.736
I am confident that my skills exceed those of my colleagues	0.883	0.831
My past increases my confidence	0.828	0.472
I could handle a more challenging job	0.756	0.659
Cronbach's Alpha	0.849	0.720
Total Variance Explained (%)	64	48
KMO	0.848	0.637
Bartlett's Test, df = 10, *p* = 0.000	337.149	190.945

Role Conflict

Role conflict was originally measured on an eight-item version of Rizzo, House and Lirtman's (1970) scale. Cronbach's alpha was above the recommended threshold is both samples. EFA extracted one factor and the KMO and Bartlett's tests were both indicative of appropriate data sets. Thus all eight items were retained at this stage. Table 4.9 presents the EFA results.

Table 4.9 – EFA Results for Role Conflict

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
I do things apt to be accepted by one person and not another	0.812	0.654
I perform tasks that should be done differently	0.754	0.524
I receive tasks without necessary training	0.770	0.571
I have to bend rules to carry out my job	0.887	0.624
I work with two groups that operate differently	0.837	0.627
I receive incompatible requests	0.856	0.597
I receive assignment without adequate resources and materials	0.868	0.556
I work on unnecessary things	0.780	0.580
Cronbach's Alpha	0.930	0.733
Total Variance Explained (%)	68	35
KMO	0.902	0.734
Bartlett's Test, df = 28, *p* = 0.000	916.604	229.431

Role Ambiguity

Role ambiguity was originally measured on an eight-item version of Rizzo, House and Lirtman's (1970) scale. Cronbach's alpha was above the recommended threshold is both samples. EFA extracted one factor and the KMO and Bartlett's tests were both indicative of appropriate data sets. Thus all six items were retained at this stage. Table 4.10 presents the EFA results.

Table 4.10 – EFA Results for Role Ambiguity

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
I have clear, planned goals and objectives	0.665	0.818
I manage my time well	0.592	0.708
I know what my responsibilities are	0.648	0.579
I know exactly what is expected of me	0.838	0.517
I feel certain about how much authority I have	0.807	0.839
I often receive clear explanations	0.708	0.617
Cronbach's Alpha	0.804	0.777
Total Variance Explained (%)	51	48
KMO	0.744	0.786
Bartlett's Test, df = 15, *p* = 0.000	349.618	252.529

Job Satisfaction

The overall level of job satisfaction was measured using a twelve-item scale developed by Churchill *et al* (1974). Cronbach's alpha was high for both samples. EFA extracted a single factor and both KMO and Bartlett's indicated the suitability of the datasets. Hence, no items were removed at this stage. The results of the EFA are presented in table 4.11.

Table 4.11 – EFA Results for Job Satisfaction

	UK	India
Scale Item	**Factor Loading**	**Factor Loading**
My job is creative	0.833	0.800
My job is valuable to me	0.832	0.662
I have plenty of freedom on my job to use my own judgement	0.871	0.619
My job is exciting	0.872	0.633
My job is satisfying	0.895	0.578
I am really doing something worthwhile in my job	0.910	0.734
I am productive in my job	0.712	0.683
The work I do to perform my job is useful	0.802	0.667
My job is interesting	0.865	0.816
My job is challenging	0.918	0.757
My job is often varied	0.811	0.663
My job gives me a sense of accomplishment	0.882	0.717
Cronbach's Alpha	0.965	0.902
Total Variance Explained (%)	73	49
KMO	0.930	0.821
Bartlett's Test, df = 66, *p* = 0.000	2048.462	1038.229

Customer Orientation

Customer orientation was originally measured using a six-item subscale of Narver and Slater's (1990) market orientation scale. Cronbach's alpha was above the recommended 0.7 bound (Churchill, 1979). EFA extracted one factor and the KMO and Bartlett's tests revealed suitable datasets for EFA. Hence all six items were retained at this stage. Table 4.12 presents the EFA results.

Table 4.12 – EFA Results for Customer Orientation

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Our business objectives are driven by customer satisfaction	0.881	0.763
We monitor our level of orientation	0.883	0.823
Competitive advantage strategies are based on customer needs	0.826	0.775
Business strategies are formed to create value for customers	0.829	0.795
We measure customer satisfaction frequently	0.792	0.805
We monitor after-sales service	0.838	0.760
Cronbach's Alpha	0.917	0.872
Total Variance Explained (%)	71	62
KMO	0.838	0.832
Bartlett's Test, df = 15, *p* = 0.000	692.933	482.685

4.3.2   CONFIRMATORY FACTOR ANALYSIS

Following the EFA analyses, the resultant items were entered into a measurement model using LISREL 8.54 (Jöreskog & Sörbom, 2003), and each model[24] was respecified to obtain satisfactory unidimensionality. Firstly, items with high values in the residual matrix were considered as candidates for deletion. High values in the residual matrix indicate that the covariances in the data are not being adequately explained by the model, and thus the model may need to be respecified (Sharma, 1996). Additionally, items which appeared to reflect more than one of the hypothesised constructs were candidates for deletion, as well as items which had error terms correlated with errors in other items (Gerbing & Anderson, 1988). The respecification was done in an iterative process with variables displaying the most

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[24] Initially the items of the simple model (including the four constructs of relational empowerment, psychological empowerment, job satisfaction and customer orientation) were examined for both groups. Following this the indigenous group's model was analysed by adding the constructs of training, rewards, information sharing, role conflict and self efficacy to the simple model. Finally the multinational group's model was analysed by adding the constructs of role conflict and self efficacy to the simple model. Refer to section 4.2.4, pg. 154-156

problems being removed first and then the model re-run until no major problems were observed. One method of doing this includes checking modification indices. High modification indices indicate multiple loadings of an item. Hence, items with large modification indices were deleted one at a time (once they had been checked for content) and the model re-estimated. As a result of this process several further items were deleted[25].

4.3.2.1 UK Indigenous Sample

Following the CFA procedure there were a total of 13 items remaining from the original 36 items. Specifically, five relational empowerment items, eight psychological empowerment items, nine job satisfaction items and three customer orientation items were deleted throughout the course of the iterations[26]. These results are presented in table 4.13.

Overall, the CFA measurement model for the UK indigenous sample returned reasonable statistics. Despite a significant χ^2 result, the fit indices were all within their recommended limits. In terms of the individual scales results were also satisfactory as all of the composite reliability and average variance extracted scores were above their recommended threshold values of 0.6 and 0.5 respectively (Fornell & Larcker, 1982). Additionally all factor loadings are significant.

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[25] Unfortunately this process also resulted in the loss of the role ambiguity construct, as many of the items displayed high correlations with items from other constructs.

[26] The large number of items deleted from the psychological empowerment and job satisfaction measures could be due to the more rigorous CFA analysis employed in this study as opposed to when they were initially developed. Refer to limitations in chapter 6 for further discussion.

Table 4.13 - CFA Results for UK Indigenous Simple Model

Measurement Items (reduced wording)	Factor Loadings (t-values)			
	Rel. Emp.	**Psy. Emp.**	**Job Sat.**	**Cust. Or.**
Allowed to do almost anything	0.57 (fixed)			
Have a lot of control over job	0.84 (6.77)			
Encouraged to handle job-related problems	0.68 (6.19)			
My job activities are personally meaningful to me		0.70 (fixed)		
I have mastered the skills necessary to do my job		0.54 (6.09)		
I can decide on my own how to go about doing my work		0.82 (8.83)		
I have a great deal of control over what happens in my department		0.83 (8.89)		
My job is satisfying			0.91(fixed)	
I am really doing something worthwhile in my job			0.93(18.53)	
My job gives me a sense of accomplishment			0.88(16.49)	
We monitor our level of orientation				0.78 (fixed)
Competitive advantage strategies are based on customer needs				0.92 (11.69)
Business strategies are formed to create value for customers				0.85 (11.26)
Composite Reliability	0.74	0.82	0.93	0.89
Average Variance Extracted	0.50	0.53	0.82	0.73

Fit Indices: χ^2= 98.86, df = 59 (p = 0.00089), RMSEA = 0.067, GFI = 0.909, CFI = 0.975, NNFI = 0.967, Standardised RMR = 0.0458

4.3.2.2 INDIA Indigenous Sample

The resultant items from the UK indigenous CFA were analysed in this sample. The results are presented in table 4.14.

Table 4.14 – CFA Results for India Indigenous Sample

Measurement Items (reduced wording)	Factor Loadings (t-values)			
	Rel. Emp.	**Psy. Emp.**	**Job Sat.**	**Cust. Or.**
Allowed to do almost anything	0.73 (fixed)			
Have a lot of control over job	0.52 (4.81)			
Encouraged to handle job-related problems	0.84 (8.81)			
My job activities are personally meaningful to me		0.65 (fixed)		
I have mastered the skills necessary to do my job		0.55 (4.83)		
I can decide on my own how to go about doing my work		0.66 (6.84)		
I have a great deal of control over what happens in my department		0.69 (7.09)		
My job is satisfying			0.68(fixed)	
I am really doing something worthwhile in my job			0.81 (7.65)	
My job gives me a sense of accomplishment			0.60 (6.30)	
We monitor our level of orientation				0.82(fixed)
Competitive advantage strategies are based on customer needs				0.83(10.12)
Business strategies are formed to create value for customers				0.76(9.53)
Composite Reliability	0.72	0.71	0.74	0.84
Average Variance Extracted	0.47	0.38	0.49	0.64

Fit Indices: χ^2= 106.35, df = 59 (p = 0.00016), RMSEA = 0.072, GFI = 0.905, CFI = 0.959, NNFI = 0.946, Standardised RMR = 0.0608

Overall, the CFA measurement model for the India indigenous sample returned reasonable statistics. However, again a significant χ^2 value was obtained along with recommended fit indices. With respect to the individual scales most results appeared quite satisfactory with the exception of the AVE for psychological empowerment. Specifically, psychological empowerment's AVE is 0.38 which is below the recommended cutoff point (Bagozzi & Yi, 1988). The AVE values for relational empowerment and job satisfaction are also marginally under the recommended threshold value[27].

As these figures indicate poor convergent validity, especially for the psychological empowerment construct, it is important to find an alternative test for convergent validity. One such test is to check the size of the factor loadings for their respective items, where a factor loading greater than 0.5 will satisfy this alternative test of convergent validity (Hair *et al*, 2006). Fortunately, the results show that all factor loadings were above 0.5 indicating that these constructs are suitable for further analyses. Furthermore, all CR values are well above their 0.6 threshold value.

4.3.3 Multigroup CFA – Indigenous Group

4.3.3.1 Measurement Invariance

For a true cross-cultural comparison to be made in the indigenous group, measurement invariance needs careful attention (Steenkamp & Baumgartner, 1998), as without assessing measurement invariance appropriately comparisons between cross-cultural samples cannot be meaningfully evaluated. Many different frameworks have been

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[27] However previous studies have conducted SEM analysis using low AVE values, for example Netemeyer *et al* (2004) conducted SEM analysis using constructs with AVE values as low as 0.39

proposed for assessing measurement invariance, however, inconsistencies regarding which tests of measurement invariance should be undertaken and in what order, are evident across these frameworks (Vandenberg & Lance, 2000). Nonetheless, many researchers agree that testing for differences between covariance matrices across groups is the best starting point, because if they are not different, measurement invariance is established and no further tests of measurement equivalence becomes necessary (Vandenberg & Lance, 2000). If, however, covariance matrices are different, which is generally the case in most cross-cultural applications (Steenkamp & Baumgartner, 1998), other tests to determine the specific source contributing to lack of equivalence are required. Owing to the fact that Steenkamp & Baumgartner's (1998) framework is by far the most influential in the marketing literature, it is considered the most appropriate procedure to follow for this study.

In accordance with Steenkamp & Baumgartner (1998) following a test of equality of covariance matrices, configural invariance needs to be considered first, which accounts for linguistic differences among the samples. In other words, the items need to mean the same across all cultures, no ambiguity should remain and there should be no opportunity for respondents to interpret two meanings for the same item. Controlling for the latter controls for metric invariance (Steenkamp & Baumgartner, 1998; van Herk *et al*, 2005) where constructs and their meanings should apply equally across the different cultures being studied (conceptual equivalence), and respondents across different cultures should be consistent in their interpretations or calibrations of the scoring formats (scaling equivalence) (Riordan & Vandenberg, 1994).

Additionally, Steenkamp & Baumgartner (1998) recommend obtaining factor covariance invariance, factor variance invariance and error variance invariance. However, they report that the covariances among the factors and the variances of the factors are of greater interest as they correspond directly to the magnitude of the structural effects. "Furthermore, the factor covariances have important implications for the factor structure, while the factor variances provide interesting information about the homogeneity of factor scores in the population" (Steenkamp & Baumgartner, 1998).

Despite the seven tests of measurement invariance recommended by Steenkamp & Baumgartner (1998), they report that as long as "items are metrically invariant, and if the error variance and factor variances are cross-culturally equivalent, the items are equally reliable across countries". Consequently, the present study will test for configural invariance, metric invariance, factor variance invariance and error variance invariance. However, it should be noted that 'full' measurement invariance is rarely obtained in practical applications and in such circumstances researchers need to at least attain 'partial' measurement invariance (Steenkamp & Baumgartner, 1998). For example, full metric invariance implies that all the factor loadings are equal in both samples, but if this does not hold than at least one item for each scale needs to be metrically invariant (other than the item used to define the scale of the construct, i.e. the item fixed at one) to display partial metric invariance (Byrne *et al*, 1989; Steenkamp & Baumgartner, 1998).

4.3.3.2   Testing for Measurement Invariance

Initially, the configural invariance model was estimated first. This may also be referred to as the baseline model against which other models can be compared (Steenkamp & Baumgartner, 1998; Vandenberg & Lance, 2000). Although the chi-square was significant (χ^2 (664) = 1428.95, *p*=0.000), the RMSEA of 0.087 indicated a reasonable fit (Diamantopoulos & Siguaw, 2000; Hair *et al*, 2006) and the other incremental fit indices were also above the recommended 0.9 threshold level (CFI = 0.920, NNFI = 0.909). The CAIC[28] for this model was 2425.96. Furthermore all factor loadings were highly significant. Thus, it can be concluded that this model exhibited configural invariance across both countries.

Full metric invariance was tested by constraining all factor loadings to be invariant across both countries. Table 4.15 indicates that there was a significant increase in chi-square between the model of configural and the model of full metric invariance ($\Delta\chi^2$ (19) = 137.46, *p*<0.001), although the fit did not decrease much in terms of the alternative fit indices, rather the RMSEA value increased somewhat. Examination of the modification indices revealed that the significant increase in chi-square was due to a lack of invariance of four loadings that were notably high. Thus, full metric invariance was not supported. To test for partial metric invariance, initially the parameter with the largest modification index was relaxed. This continued until all four loadings were set free. In terms of chi-square, the fit of this model is significantly worse than the fit of the configural invariance model ($\Delta\chi^2$ (16) = 51.82, *p*<0.001);

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[28] CAIC is a parsimonious fit measure which is "specifically designed to provide information about which model among a set of competing models is best, considering its fit relative to its complexity" (Hair *et al*, 2006). Refer to section 5.1.7.3 for further details.

however, the RMSEA is the same, the CFI and NNFI have insubstantially decreased but the CAIC has actually improved (as it decreased). Thus it can be concluded that partial metric invariance is supported.

The next step was to impose full factor variance invariance on the model. However, this was rejected ($\Delta\chi^2$ (25) = 194.50, $p<0.001$). The modification indices indicated that the variance of four latent variables were not equal in both countries. After removing the invariance constraint on the factor variances for these variables, the fit of the model improved considerably: χ^2 (685) = 1497.19 ($p=0.000$), RMSEA = 0.088, CFI = 0.915, NNFI = 0.906, CAIC = 2352.73 (although it should be noted that compared with the baseline model the incremental fit indices marginally decreased while the CAIC improved).

Similarly, the initial model specifying partial invariance of error variances was rejected. Steenkamp & Baumgartner (1998) suggest that whilst testing for the equivalence of error variances, primarily the invariance constraints on error variances that should be set free are on those items that were found to have varying factor loadings across countries. As can be seen from table 4.15 this produced highly undesirable results as the increase in chi-square was highly significant and the alternative fit indices also weakened considerably. After sequentially relaxing the invariance constraints on five error variances the resulting model indicated reasonable fit: χ^2 (690) = 1505.30 ($p=0.000$), RMSEA = 0.088, CFI = 0.914, NNFI = 0.906, CAIC = 2327.16. Although the RMSEA has marginally increased in this final model compared to the baseline model (i.e. from 0.087 to 0.088) and the incremental indices have marginally decreased (but are still above the 0.9 threshold) the CAIC has

decreased noticeably indicating a better fit (Diamantopoulos & Siguaw, 2000). As CAIC is exclusively used as a comparator index between models and the fact that the incremental fit indices between the baseline and final model are similar, the final model achieves best fit of all models considered.

Table 4.15 – Model Comparisons

MODEL	χ^2 value	*df*	RMSEA	CFI	NNFI	CAIC
Configural Invariance	1428.95	664	0.087	0.920	0.909	2425.96
Full Metric Invariance	1566.41	683	0.092	0.911	0.902	2435.42
Partial Metric Invariance	1480.77	680	0.087	0.916	0.907	2370.00
Full Factor Variance Invariance	1623.45	689	0.094	0.905	0.896	2452.05
Partial Factor Variance Invariance	1497.19	685	0.088	0.915	0.906	2352.73
Initial Partial Error Variance Invariance	1719.30	689	0.099	0.897	0.887	2547.90
Final Partial Error Variance Invariance	1505.30	690	0.088	0.914	0.906	2327.16

4.3.3.3   Summary of Measurement Invariance Achieved

Full configural invariance was achieved as all factor loadings were significant. However, the remaining three levels of invariance were successfully achieved by:

a) freeing the factor loadings of TRA4, INF7, RE10 and RE12 obtained partial metric invariance.

b) freeing the variances of training, self efficacy, role conflict and job satisfaction to obtain partial factor variance invariance and finally

c) forcing the error variances of SE3, RC1, RC7, JS12 and CO2 to be equal to obtain partial error variance invariance

Tables 4.16 and 4.17 presents the results obtained from the multigroup CFA of the indigenous samples.

Table 4.16 – Multigroup CFA Results for the UK Indigenous Sample

Measurement Items (reduced wording)	Factor Loadings (t-values)								
	Tra	**Rew**	**Info**	**Rel Emp**	**Psy Emp**	**Rol Con**	**Self Eff**	**Job Sat**	**Cust Or**
Receive training before contact with customers	0.57 (12.19)								
Trained to deal with customer complaints	**0.75 (fixed)**								
Trained to deal with complaining customers	0.75 (15.05)								
Rewards based on customer evaluation of service		0.79 (fixed)							
Rewarded for dealing effectively with customer problems		0.85 (19.52)							
Rewarded for satisfying complaining customers		0.86 (19.82)							
Company publishes info on its rewards structure			0.70 (fixed)						
Kept informed about company			0.71 (16.37)						
Company gives sufficient information about its clients			**0.56 (9.66)**						
Allowed to do almost anything				0.62 (fixed)					
Have a lot of control over job				**0.64 (11.63)**					
Encouraged to handle job-related problems				**0.54 (9.76)**					
My job activities are personally meaningful to me					0.55 (fixed)				
I have mastered the skills necessary to do my job					0.55 (9.89)				
I can decide on my own how to go about doing my work					0.66 (13.60)				
I have a great deal of control over what happens in my department					0.71 (13.46)				
I do things apt to be accepted by one and not another						0.79 (fixed)			
I receive incompatible requests						0.70 (14.26)			
I receive assignments without adequate resources and materials						0.63 (10.98)			
Have all technical knowledge							0.56 (fixed)		
Confident that skills equal colleagues							0.96 (13.96)		
Can handle a more challenging job							0.53 (10.20)		
My job is satisfying								0.80 (fixed)	
I am really doing something worthwhile in my job								0.84 (18.57)	
My job gives me a sense of accomplishment								0.76 (14.99)	
We monitor our level of orientation									0.82 (fixed)
Competitive advantage strategies are based on customer needs									0.82 (16.62
Business strategies are formed to create value for customers									0.76 (16.20)
COMPOSITE RELIABILITY	0.88	0.94	0.87	0.84	0.89	0.88	0.83	0.91	0.91
AVERAGE VARIANCE EXTRACTED	0.71	0.85	0.69	0.63	0.67	0.71	0.63	0.78	0.78

Fit statistics: χ^2 = 1505.30, df = 690 (p = 0.00000); RMSEA = 0.088, CFI = 0.914, NNFI = 0.906, CAIC = 2327.162

Bold items indicate the loadings freed to obtain partial metric invariance.

Table 4.17 – Multigroup CFA Results for the India Indigenous Sample

Measurement Items (reduced wording)	Tra	Rew	Info	Rel Emp	Psy Emp	Rol Con	Self Eff	Job Sat	Cust Or
				Factor Loadings (t-values)					
Receive training before contact with customers	0.57 (12.19)								
Trained to deal with customer complaints	**0.75 (fixed)**								
Trained to deal with complaining customers	0.75 (15.05)								
Rewards based on customer evaluation of service		0.79 (fixed)							
Rewarded for dealing effectively with customer problems		0.85 (19.52)							
Rewarded for satisfying complaining customers		0.86 (19.82)							
Company publishes info on its rewards structure			0.70 (fixed)						
Kept informed about company			0.71 (16.37)						
Company gives sufficient information about its clients			**0.82 (7.34)**						
Allowed to do almost anything				0.62 (fixed)					
Have a lot of control over job				**0.51 (4.53)**					
Encouraged to handle job-related problems				**0.97 (8.33)**					
My job activities are personally meaningful to me					0.55 (fixed)				
I have mastered the skills necessary to do my job					0.55 (9.89)				
I can decide on my own how to go about doing my work					0.66 (13.60)				
I have a great deal of control over what happens in my department					0.71 (13.46)				
I do things apt to be accepted by one and not another						0.79 (fixed)			
I receive incompatible requests						0.70 (14.26)			
I receive assignments without adequate resources and materials						0.63 (10.98)			
Have all technical knowledge							0.56 (fixed)		
Confident that skills equal colleagues							0.96 (13.96)		
Can handle a more challenging job							0.53 (10.20)		
My job is satisfying								0.80 (fixed)	
I am really doing something worthwhile in my job								0.84 (18.57)	
My job gives me a sense of accomplishment								0.76 (14.99)	
We monitor our level of orientation									0.82 (fixed)
Competitive advantage strategies are based on customer needs									0.82 (16.62
Business strategies are formed to create value for customers									0.76 (16.20)
COMPOSITE RELIABILITY	0.68	0.81	0.64	0.60	0.82	0.82	0.73	0.76	0.79
AVERAGE VARIANCE EXTRACTED	0.42	0.59	0.37	0.34	0.53	0.60	0.50	0.51	0.56

Fit statistics: χ^2 = 1505.30, df = 690 (p = 0.00000); RMSEA = 0.088, CFI = 0.914, NNFI = 0.906, CAIC = 2327.162

Bold items indicate the loadings freed to obtain partial metric invariance.

Overall the CFA measurement model in the multigroup analysis returned reasonable statistics. The χ^2 was again significant and CFI and NNFI were above the recommended value of 0.9 (Hair *et al*, 1998; Diamantopolous and Siguaw, 2000). In terms of the individual scales, results appeared to be quite satisfactory with the exception of three AVE values in the India indigenous sample. More specifically training was slightly below the recommended threshold of 0.5 (Bagozzi & Yi, 1988) but information sharing and relational empowerment were significantly lower than 0.5 at 0.37 and 0.34 respectively. However, the results show that all factor loadings were significantly above 0.5. The remaining constructs all displayed appropriate CR and AVE values above the cutoff values of 0.6 and 0.5 respectively, indicating acceptable levels of reliability and convergent validity. Hence, pending further validity assessment these measures may be suitable for hypothesis testing purposes.

4.3.4 Discriminant Validity Analysis

Discriminant validity is the extent to which two conceptually similar concepts are distinct (Hair *et al*, 2006). CFA provides two common methods of assessing discriminant validity (Hair *et* al, 2006). Firstly, the correlation between any two constructs can be fixed to one (this specifies that the items making up the two constructs could make up just one construct). If the fit of the two-construct model is not significantly better that the one-construct model then discriminant validity is insufficient (Gerbing & Anderson, 1988). However, this test does not always provide robust evidence of discriminant validity (Hair *et al*, 2006). A more robust test is to compare the AVE for any two constructs with the square of the correlation estimate between these two constructs, where the AVE should be greater than the squared

correlation estimate (Fornell & Larcker, 1981). This test is based on the idea "that a latent construct should explain its item measures better than it explains another construct" (Hair *et al*, 2006). Consequently the second test will be used to assess discriminant validity where the phi (Φ) matrix of construct correlations will be used to aid the assessment.

Tables 4.18 and 4.19 present the information found for each of the indigenous samples. The results support evidence for discriminant validity hence these measures are suitable for the next level of analysis, i.e. hypothesis testing.

NB The values below the diagonal are correlation estimates. Values above the diagonal are squared correlations.

Table 4.18 - UK Indigenous Sample Discriminant Validity Results

UK NATIONAL DV									
	TRA	**REW**	**INFO**	**REL EMP**	**PSY EMP**	**ROL CON**	**SELF EFF**	**JOB SAT**	**CUST OR**
TRA	1.00	*0.64*	*0.62*	*0.44*	*0.47*	*0.06*	*0.23*	*0.22*	*0.40*
REW	0.80	1.00	*0.53*	*0.42*	*0.34*	*0.04*	*0.20*	*0.16*	*0.31*
INFO	0.79	0.73	1.00	*0.37*	*0.40*	*0.04*	*0.13*	*0.22*	*0.40*
REL EMP	0.66	0.65	0.61	1.00	*0.55*	*0.08*	*0.51*	*0.33*	*0.13*
PSY EMP	0.69	0.58	0.63	0.74	1.00	*0.09*	*0.63*	*0.36*	*0.16*
ROL CON	0.24	0.19	0.20	0.28	0.31	1.00	*0.11*	*0.03*	*0.02*
SELF EFF	0.48	0.44	0.36	0.71	0.79	0.34	1.00	*0.23*	*0.02*
JOB SAT	0.47	0.41	0.47	0.58	0.60	0.18	0.48	1.00	*0.13*
CUST OR	0.63	0.56	0.63	0.36	0.40	0.15	0.14	0.36	1.00

Table 4.19 - India Indigenous Sample Discriminant Validity Results

INDIA NATIONAL DV									
	TRA	**REW**	**INFO**	**REL EMP**	**PSY EMP**	**ROL CON**	**SELF EFF**	**JOB SAT**	**CUST OR**
TRA	1.000	*0.368*	*0.361*	*0.253*	*0.275*	*0.216*	*0.026*	*0.203*	*0.229*
REW	0.607	1.000	*0.359*	*0.420*	*0.336*	*0.239*	*0.038*	*0.261*	*0.311*
INFO	0.601	0.599	1.000	*0.368*	*0.367*	*0.250*	*0.026*	*0.354*	*0.362*
REL EMP	0.503	0.648	0.607	1.000	*0.340*	*0.331*	*0.100*	*0.334*	*0.128*
PSY EMP	0.524	0.580	0.606	0.583	1.000	*0.490*	*0.132*	*0.504*	*0.162*
ROL CON	0.465	0.489	0.500	0.575	0.700	1.000	*0.141*	*0.311*	*0.147*
SELF EFF	0.162	0.196	0.161	0.316	0.364	0.376	1.000	*0.071*	*0.004*
JOB SAT	0.451	0.511	0.595	0.578	0.710	0.558	0.266	1.000	*0.210*
CUST OR	0.479	0.558	0.602	0.358	0.403	0.384	0.061	0.458	1.000

4.4 SECTION 4 – Multinational Samples

Neither full nor partial measurement invariance could be achieved in the multinational group. This problem was particularly significant with the antecedents, i.e. training, rewards and information sharing. Consequently, these samples were analysed individually and excluding the aforementioned antecedents. Thus, only the relevant results will be reported here (i.e. EFA and CFA results for relational empowerment, psychological empowerment, role conflict, self-efficacy, job satisfaction and customer orientation).[29] However, due to the lack of measurement invariance, direct comparability between the two samples is limited. Nonetheless, as the same model was being tested it was felt that tentative comparisons of the two samples was justified.

4.4.1 Individual Scale Results

Psychological Empowerment

To maintain consistency with the previous group and to allow some form of descriptive evaluation (note not formal comparison as there is no measurement invariance), this measure was automatically forced into one dimension and the results recorded. Cronbach's alpha was above the recommended threshold of 0.7 (Churchill, 1979). KMO and Bartlett's tests gave no reason to believe the data were not suitable for EFA analysis. Thus, all items were retained at this stage.

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[29] Refer to section 4.2.4, pg. 154-156

Table 4.20 – EFA Results for Psychological Empowerment

Scale Item	UK Factor Loading	India Factor Loading
The work I do is important to me	0.659	0.744
My job activities are personally meaningful to me	0.638	0.634
The work I do is meaningful to me	0.507	0.789
I am confident about my ability to do my job	0.660	0.707
I have mastered the skills necessary to do my job	0.664	0.771
I have the skills and abilities to do my job well	0.579	0.777
I have significant autonomy in determining how I do my job	0.679	0.766
I can decide on my own how to go about doing my work	0.697	0.668
I have considerable opportunity for independence in how I do my job	0.622	0.693
I have a large impact on what happens in my department	0.451	0.796
I have a great deal of control over what happens in my department	0.457	0.715
I have significant influence over what happens in my department	0.520	0.716
Cronbach's Alpha	0.828	0.918
Total Variance Explained (%)	36	54
KMO	0.778	0.862
Bartlett's Test, df = 66, *p* = 0.000	687.394	1256.714

Relational Empowerment

EFA extracted one factor, however there were many non-significant cross-loadings (i.e. items 5, 6, 11, 12, 13 and 14). Thus, these items were deleted and the analysis re-run. Table 4.21 details the results from the first EFA and table 4.22 presents the second EFA results.

Table 4.21– First EFA Results for Relational Empowerment

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Allowed to do almost anything	0.593	0.646
Have a lot of responsibility	0.620	0.707
Have authority to correct problems	0.697	0.752
Encouraged to use initiative	0.648	0.640
Wish management would give me more authority	**NS**	**NS**
Have to go through many regulations to change things	**NS**	**NS**
Have a lot of control over job	0.648	0.758
Do not need management approval	0.594	0.522
Encouraged to handle job-related problems	0.594	0.707
Allowed to take charge of problems	0.619	0.688
Able to make changes	**NS**	0.568
Would like a job allowing more authority	**NS**	**NS**
Have to follow rules and regulations closely in job	**NS**	**NS**
Have complete freedom to perform job	**NS**	0.674

Table 4.22 – Second EFA Results for Relational Empowerment

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Allowed to do almost anything	0.722	0.658
Have a lot of responsibility	0.706	0.746
Have authority to correct problems	0.653	0.785
Encouraged to use initiative	0.733	0.679
Have a lot of control over job	0.741	0.793
Do not need management approval	0.491	0.564
Encouraged to handle job-related problems	0.638	0.740
Allowed to take charge of problems	0.512	0.668
Cronbach's Alpha	0.809	0.852
Total Variance Explained (%)	44	51
KMO	0.751	0.860
Bartlett's Test, df = 28, *p* = 0.000	420.958	516.044

After deletion of the problem items Cronbach's alpha revealed values above the recommended 0.7 threshold (Churchill, 1979). EFA extracted one factor and the KMO and Bartlett's tests were indicative of appropriate datasets. Thus the remaining eight items were retained for further analysis.

Self Efficacy

Cronbach's alpha revealed values above the 0.7 bound. EFA extracted one factor and the KMO and Bartlett's tests provided evidence for an appropriate dataset, thus, all five items were retained at this stage. Table 4.23 presents the EFA results.

Table 4.23 – EFA Results for Self Efficacy

Scale Item (reduced wording)	UK Factor Loading	India Factor Loading
I feel I am overqualified to do my job	0.718	0.636
I have all the technical knowledge needed for my job	0.647	0.767
I am confident that my skills exceed those of my colleagues	0.657	0.751
My past increases my confidence	0.708	0.710
I could handle a more challenging job	0.704	0.628
Cronbach's Alpha	0.717	0.727
Total Variance Explained (%)	48	49
KMO	0.700	0.688
Bartlett's Test, df = 10, *p* = 0.000	138.140	199.616

Role Conflict

Cronbach's alpha was above the recommended threshold of 0.7 (Churchill, 1979). Additionally EFA extracted one factor and the KMO and Bartlett's tests were both indicative of appropriate datasets. Thus all eight items were retained at this stage for further analysis. Table 4.24 presents the EFA results.

Table 4.24 – EFA Results for Role Conflict

Scale Item (reduced wording)	UK Factor Loading	India Factor Loading
I do things apt to be accepted by one person and not another	0.554	0.583
I perform tasks that should be done differently	0.757	0.458
I receive tasks without necessary training	0.727	0.794
I have to bend rules to carry out my job	0.718	0.786
I work with two groups that operate differently	0.610	0.698
I receive incompatible requests	0.669	0.629
I receive assignment without adequate resources and materials	0.660	0.778
I work on unnecessary things	0.660	0.815
Cronbach's Alpha	0.822	0.817
Total Variance Explained (%)	45	45
KMO	0.769	0.779
Bartlett's Test, df = 28, *p* = 0.000	403.704	484.853

Job Satisfaction

EFA revealed one factor however two loadings in the UK sample were non-significant, hence, these items were removed and the analysis re-run. Table 4.25 details the first EFA results and table 4.26 presents the second EFA results.

Table 4.26 shows that after deleting the problem items the Cronbach's alpha values were above the recommended 0.7 threshold (Churchill, 1979). Furthermore the KMO and Bartlett's tests revealed suitable datasets for EFA. Thus the remaining ten items were retained for further analysis.

Table 4.25 – EFA Results for Job Satisfaction

	UK	India
Scale Item	**Factor Loading**	**Factor Loading**
My job is creative	0.516	0.548
My job is valuable to me	0.571	0.564
I have plenty of freedom on my job to use my own judgement	0.510	0.704
My job is exciting	0.493	0.753
My job is satisfying	0.735	0.749
I am really doing something worthwhile in my job	0.744	0.795
I am productive in my job	**NS**	0.713
The work I do to perform my job is useful	0.453	0.778
My job is interesting	0.629	0.830
My job is challenging	0.580	0.763
My job is often varied	**NS**	0.774
My job gives me a sense of accomplishment	0.691	0.810

Table 4.26 – EFA Results for Job Satisfaction

	UK	India
Scale Item	**Factor Loading**	**Factor Loading**
My job is creative	0.481	0.569
My job is valuable to me	0.612	0.551
I have plenty of freedom on my job to use my own judgement	0.485	0.720
My job is exciting	0.508	0.780
My job is satisfying	0.728	0.771
I am really doing something worthwhile in my job	0.785	0.800
The work I do to perform my job is useful	0.498	0.757
My job is interesting	0.611	0.828
My job is challenging	0.534	0.764
My job gives me a sense of accomplishment	0.717	0.818
Cronbach's Alpha	0.798	0.903
Total Variance Explained (%)	37	55
KMO	0.786	0.883
Bartlett's Test, df = 45, *p* = 0.000	410.842	967.435

Customer Orientation

Cronbach's alpha was significantly above the 0.7 threshold value for both samples.

EFA extracted one factor and the KMO and Bartlett's tests gave no reason to believe

that the data were not suitable for EFA analysis. Thus all six items were retained for further analysis.

Table 4.27 – EFA Results for Customer Orientation

	UK	India
Scale Item (reduced wording)	**Factor Loading**	**Factor Loading**
Our business objectives are driven by customer satisfaction	0.866	0.830
We monitor our level of orientation	0.798	0.891
Competitive advantage strategies are based on customer needs	0.747	0.897
Business strategies are formed to create value for customers	0.784	0.894
We measure customer satisfaction frequently	0.826	0.885
We monitor after-sales service	0.662	0.786
Cronbach's Alpha	0.870	0.929
Total Variance Explained (%)	62	75
KMO	0.801	0.894
Bartlett's Test, df = 15, *p* = 0.000	473.122	818.280

4.4.2 Confirmatory Factor Analysis

This process, detailed earlier, was applied to these two samples for the simple model initially and then the mediator model (refer to section 4.2.4, pg. 154-156). This was due to the ratio of the number of respondents per parameter estimate and the lack of measurement invariance particularly regarding the antecedents, as previously stated.

In the first instance with the simple models, significant problems were noted with highly correlated errors between psychological empowerment items in particular. Furthermore the remaining measures also had problems with cross-loadings and correlated errors. These issues implied that none of the measures were sufficiently unidimensional and required some respecification. Again, this respecification was

done in an iterative process with variables displaying the most serious problems being removed first and then the model re-run until no major problems were observed. Specifically from the simple models four relational empowerment items, eight psychological empowerment items, five job satisfaction items were removed throughout the course of the iterations. However, the customer orientation measure differed across the two groups where only two items were removed in the India sample but three were removed from the UK sample. Consequently, a final measurement model contained three-item scales for all latent constructs except for customer orientation in the India sample (which was a four-item scale). These results are detailed below.

On addition of the mediating variables the same process was undertaken removing five role conflict items and two self efficacy items. Again this left three-item scales for these mediating variables. However, it is important to note that as a result of the factor analysis, there were slight differences in the items of some of the constructs in each sample.

4.4.2.1 UK Multinational Sample[30]

Only 13 items remained from the original 36 items run in the CFA. Table 4.28 presents the results.

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[30] Refer to Section 4.2.4, pg. 154-156

Table 4.28 – CFA Results for the UK Multinational Sample

Measurement Items (reduced wording)	**Factor Loadings (t-values)**			
	Rel. Emp.	**Psy. Emp.**	**Job Sat.**	**Cust. Or.**
Have authority to correct problems	0.79 (fixed)			
Encouraged to handle job-related problems	0.53 (4.85)			
Do not need management approval	0.77 (9.04)			
My job activities are personally meaningful to me		0.58 (fixed)		
I have the skills and abilities to do my job well		0.55 (5.31)		
I can decide on my own how to go about doing my work		0.64 (5.90)		
I have significant influence over what happens in my department		0.54 (4.45)		
I have plenty of freedom on my job to use my own judgement			0.65(fixed)	
My job is interesting			0.54 (4.68)	
My job is challenging			0.55 (5.76)	
Competitive advantage strategies are based on customer needs				0.89(fixed)
Business strategies are formed to create value for customers				0.63(7.23)
We monitor after-sales service				0.69(7.85)
Composite Reliability	0.71	0.64	0.56	0.79
Average Variance Extracted	0.47	0.31	0.31	0.55

Fit Indices: χ^2= 101.27, df = 59 (p = 0.00051), RMSEA = 0.070, GFI = 0.904, CFI = 0.961, NNFI = 0.948, Standardised RMR = 0.0612

Overall this model yielded reasonable fit statistics with significant χ² and RMSEA values. However, in terms of the individual scales the results were not as satisfactory. More specifically, the AVE values of psychological empowerment and job satisfaction were well below the recommended threshold of 0.5. Additionally the AVE for relational empowerment was slightly below the cutoff value. Furthermore the CR for job satisfaction was also slightly below the cutoff value of 0.6. As these figures indicate poor convergent validity for the job satisfaction and psychological empowerment constructs, it is important to check the size of the factor loadings for their respective items. A factor loading of 0.5 or higher satisfies this alternative test of convergent validity (Hair *et al*, 2006). Fortunately, the results show that all factor loadings are significant and above 0.5, thus the measures can be retained for further analysis.

4.4.2.2 INDIA Multinational Sample

As the resultant items of the UK multinational sample did not run for this sample, all the original 36 items were run for the CFA analysis. All measures retained three-item scales except the measure for customer orientation which resulted in a four-item scale. The results are presented in table 4.29. Overall reasonably moderate fit statistics were produced as can be observed in table 4.29. The χ² statistic was significant 137.09 (*p* = 0.00000) and the RMSEA was 0.075. Heuristic fit indices were good, however the GFI just fell short of the recommended 0.9.

Despite these statistics it is important to highlight that there were slight differences in the items of the constructs across the two multinational samples. However, whilst this

further limits direct comparability (i.e. direct comparability was already limited due to the lack of measurement invariance) across the two samples, it was felt that tentative descriptive comparisons were still justified.

Looking at the individual scales the results were much better for this sample as most of the CR and AVE values were above the recommended 0.6 and 0.5. Unfortunately, the AVE values for psychological empowerment and job satisfaction just fell short of the recommended threshold. However, all of the factor loadings are significant. These results imply that the 13 items left in both samples are suitable to be carried forward for further analysis. Hence the mediating variables were added to the resultant 13 items from the simple model and the analysis re-run.

Table 4.29 – CFA Results for the India Multinational Sample

Measurement Items (reduced wording)	Factor Loadings (t-values)			
	Rel. Emp.	**Psy. Emp.**	**Job Sat.**	**Cust. Or.**
Allowed to do almost anything	0.59 (fixed)			
Have authority to correct problems	0.81 (7.79)			
Encouraged to use initiative	0.74 (7.36)			
My job activities are personally meaningful to me		0.58 (fixed)		
I have mastered the skills necessary to do my job		0.56 (5.79)		
I can decide on my own how to go about doing my work		0.79 (7.32)		
I have a great deal of control over what happens in my department		0.78 (7.24)		
I have plenty of freedom on my job to use my own judgement			0.73(fixed)	
My job is satisfying			0.62 (7.44)	
My job is challenging			0.74 (8.86)	
Our business objectives are driven by customer satisfaction				0.84(fixed)
We monitor our level of orientation				0.87(14.21)
Competitive advantage strategies are based on customer needs				0.90(15.02)
We measure customer satisfaction frequently				0.83(13.26)
Composite Reliability	0.76	0.78	0.74	0.92
Average Variance Extracted	0.52	0.47	0.49	0.74

Fit Indices: χ^2= 137.09, df = 71 (p = 0.00000), RMSEA = 0.075, GFI = 0.895, CFI = 0.975, NNFI = 0.968, Standardised RMR = 0.0551

4.4.2.2.1 UK Multinational CFA – Mediator Model

Table 4.30 presents the results returned for this CFA. The statistics returned were reasonable, however the NNFI and GFI were slightly below their recommended value of 0.9 (Hair *et al*, 1998). The results for the individual scales also yielded satisfactory

results although many of the AVE values were marginally below the recommended 0.5. Furthermore, all factor loadings were significant. Thus, following further validity analysis these measures may be used for hypothesis testing.

4.4.2.2.2 India Multinational CFA – Mediator Model

The CFA measurement model returned very good statistics as can be seen in table 4.31. The χ^2 statistic was significant 302.64 ($p = 0.0000$) and the RMSEA was 0.076. Heuristic fit indices were also very good as the CFI and NNFI exceeded the recommended 0.9 (Hair *et al*, 1998). However the GFI was slightly below the recommended 0.9 at 0.847.

With respect to the individual scales role conflict was the only noteworthy problem as the AVE value was significantly below the 0.5 threshold (Bagozzi & Yi, 1998) at 0.36, although three other scales' also reported marginally lower values. However all the CR values were above the recommended 0.6. Furthermore all factor loadings were significant. Thus, it seems reasonable to use these measures for hypothesis testing purposes following further validity assessment.

Table 4.30 – CFA Results for UK Multinational Mediator Model

Measurement Items (reduced wording)	Factor Loadings (t-values)					
	Rel Emp	**Psy Emp**	**Rol Con**	**Self Eff**	**Job Sat**	**Cust Or**
Have authority to correct problems	0.79 (fixed)					
Encouraged to handle job-related problems	0.52 (4.81)					
Do not need management approval	0.78 (9.08)					
My job activities are personally meaningful to me		0.57 (fixed)				
I have the skills and abilities to do my job well		0.58 (5.51)				
I can decide on my own how to go about doing my work		0.61 (5.76)				
I have significant influence over what happens in my department		0.55 (4.56)				
I do things apt to be accepted by one person and not another			0.65 (fixed)			
I receive tasks without the necessary training			0.67 (5.03)			
I work with two groups who operate differently			0.65 (5.03)			
I am confident that my skills equal my colleagues				0.83 (fixed)		
My past increases my confidence				0.52 (4.06)		
I can handle a more challenging job				0.57 (4.43)		
I have plenty of freedom on my job to use my own judgement					0.65 (fixed)	
My job is interesting					0.51 (4.45)	
My job is challenging					0.57 (5.94)	
Competitive advantage strategies are based on customer needs						0.87 (fixed)
Business strategies are formed to create value for customers						0.63 (7.37)
We monitor after-sales service						0.71 (8.20)
Composite Reliability	0.71	0.78	0.70	0.68	0.73	0.78
Average Variance Extracted	0.47	0.47	0.43	0.45	0.48	0.55

Fit Statistics: χ^2 = 265.17, df = 137 (p = 0.00000); RMSEA = 0.080; CFI = 0.909; NNFI = 0.886; GFI = 0.84

Table 4.31 – CFA Results for India Multinational Mediator Model

Measurement Items (reduced wording)	Factor Loadings (t-values)					
	Rel Emp	**Psy Emp**	**Rol Con**	**Self Eff**	**Job Sat**	**Cust Or**
Allowed to do almost anything	0.59 (fixed)					
Have authority to correct problems	0.76 (7.68)					
Encouraged to use initiative	0.79 (7.81)					
My job activities are personally meaningful to me		0.58 (fixed)				
I have mastered the skills necessary to do my job		0.59 (6.03)				
I can decide on my own how to go about doing my work		0.79 (7.29)				
I have a great deal of control over what happens in my department		0.77 (7.21)				
I do things apt to be accepted by one person and not another			0.52 (fixed)			
I receive tasks without the necessary training			0.82 (2.88)			
I receive incompatible requests			0.57 (3.10)			
Have all technical knowledge				0.59 (fixed)		
I am confident that my skills equal my colleagues				0.62 (6.15)		
My past increases my confidence				0.85 (7.04)		
I have plenty of freedom on my job to use my own judgement					0.73 (fixed)	
My job is satisfying					0.61 (7.39)	
My job is challenging					0.74 (8.89)	
Our business objectives are driven by customer satisfaction						0.84 (fixed)
We monitor our level of orientation						0.87 (14.13)
Competitive advantage strategies are based on customer needs						0.90 (15.05)
We measure customer satisfaction frequently						0.84 (13.42)
Composite Reliability	0.76	0.78	0.60	0.73	0.74	0.92
Average Variance Extracted	0.52	0.47	0.36	0.49	0.49	0.74

Fit Statistics: χ^2 = 302.64, df = 155 (p = 0.00000); RMSEA = 0.076; CFI = 0.953; NNFI = 0.943; GFI = 0.847

4.4.2 Discriminant Validity Analysis

Tables 4.32 and 4.33 present the information found for each of the multinational samples. The results support evidence for discriminant validity hence these measures are suitable for the next level of analysis, i.e. hypothesis testing.

NB The values below the diagonal are correlation estimates. Values above the diagonal are squared correlations.

Table 4.32 - UK Multinational Discriminant Validity Results

	UK MULTINATIONAL DV					
	REL EMP	**PSY EMP**	**ROL CON**	**SELF EFF**	**JOB SAT**	**CUST OR**
REL EMP	1.000	*0.456*	*0.028*	*0.245*	*0.469*	*0.340*
PSY EMP	0.675	1.000	*0.053*	*0.415*	*0.444*	*0.450*
ROL CON	0.168	0.230	1.000	*0.037*	*0.029*	*0.000*
SELF EFF	0.495	0.644	0.193	1.000	*0.428*	*0.345*
JOB SAT	0.685	0.666	0.169	0.654	1.000	*0.487*
CUST OR	0.583	0.671	0.015	0.587	0.698	1.000

Table 4.33 - India Multinational Sample Discriminant Validity Results

	INDIA MULTINATIONAL DV					
	REL EMP	**PSY EMP**	**ROL CON**	**SELF EFF**	**JOB SAT**	**CUST OR**
REL EMP	1.000	*0.406*	*0.069*	*0.158*	*0.691*	*0.503*
PSY EMP	0.637	1.000	*0.043*	*0.410*	*0.464*	*0.391*
ROL CON	0.263	0.207	1.000	*0.036*	*0.028*	*0.001*
SELF EFF	0.398	0.640	0.191	1.000	*0.314*	*0.364*
JOB SAT	0.831	0.681	0.166	0.560	1.000	*0.507*
CUST OR	0.709	0.625	0.030	0.603	0.712	1.000

4.5 SECTION 5 – Descriptive Analysis of Individual Scales

Following the scale testing and refinement of the measures above based on existing scales, it was also necessary to examine the characteristics of the final scales. This was necessary to determine whether the measures were appropriate for further analysis in hypothesis testing applications, such as structural equation modelling. The main focus of this analysis was the distributional characteristics of the measures and statistical testing of the distribution. Specifically, graphical techniques were used to gain an idea of each measures distribution, while the Kolmogorov-Smirnov test was used to provide a statistical test of the normality of the distribution.

The Kolmogorov-Smirnov statistic calculates the level of significance for the differences from a normal distribution (Hair *et al*, 2006). A non-significant result indicates normality (Pallant, 2005). However, it has been argued that the Kolmogorov-Smirnov test is very sensitive to minor departures from normality (Sharma, 1996). Consequently, in addition to the Kolmogorov-Smirnov statistic the normality of each variable was investigated in terms of its kurtosis and skewness. Accordingly, Curran *et al* (1996) propose that moderate nonnormality occurs when the skew is greater than two and the kurtosis is greater than seven, where kurtosis is usually a greater concern than skewness. The resulting graphs and corresponding statistics are in Appendix 2, which indicate that no major violations of normality were present in the data.

4.6 Summary

The CFA results assisted to substantiate each measure in terms of unidimensionality and validity across all four datasets. Equivalence had been obtained between all measures in the indigenous group allowing for valid comparisons to be made between these samples. However, although separate items were obtained in the multinational samples for each scale the results obtained are still interesting and of some value as these differences can be attributed to factors not accounted for in this study such as organisational variables. This will be discussed in some detail in the following chapters.

5   LATENT VARIABLE PATH ANALYSIS

The previous chapter examined the measures utilised to capture the variables of interest, through scale testing and refinement. The focus of the present chapter is on the multivariate statistical technique employed to test the conceptual model developed in chapter two. Similar to the previous chapter, this chapter will also be divided into three sections. Section one will discuss the method of analysis used, i.e. latent variable path analysis. Section two will detail the results of the multigroup analysis (i.e. for the two indigenous samples) and finally section three will detail the results of the two multinational samples. The latter two sections will include a brief explanation of the results.

5.1   SECTION 1

5.1.1   Latent Variable Path Analysis

Most theories and models in the social sciences are formulated in terms of theoretical concepts or constructs that are not directly measurable or observable. These constructs are known as latent constructs and are inferred from direct measurements. Latent constructs are also sometimes known as variables, factors of unobserved variables. The constructs used in this study are all examples of latent constructs and the scale testing performed in the previous chapter confirmed that the observable/manifest indicators represented their respective latent constructs satisfactorily.

Latent variable path analysis is one of many techniques of structural equation modelling (SEM) which "has the ability to estimate a complete model incorporating both measurement and structural considerations" (Kelloway, 1998). The term SEM appears to be used rather loosely as there is some debate amongst researchers as too what constitutes SEM (Hair *et al*, 1998). Within the generically used SEM 'family' of techniques, are many methodologies including covariance-based and variance-based methods. These methods include confirmatory factor analysis (CFA), causal modelling, causal analysis, simultaneous equation modelling, analysis of covariance structures, regression models and dependence analysis. However, for the purposes of the present study, SEM will refer to applications of CFA (which was performed in the previous chapter) and latent variable path analysis.

Before detailing the process of SEM it is important to address why this was the chosen method of analysis and also to acknowledge the key underlying assumptions of this

process. Despite some fairly stringent statistical assumptions (Sharma, 1996) SEM has a number of attractive virtues. Although SEM can serve purposes similar to multiple regression it is far more powerful as it considers the modelling of interactions, nonlinearities, correlated independents, measurement error, correlated error terms, multiple latent dependents each measured by multiple indicators, and one or more latent dependents again with multiple indicators. Thus SEM can be seen to be a more compelling alternative to multiple regression, path analysis, factor analysis, time series analysis, and analysis of covariance.

Advantages of SEM compared to multiple regression include more flexible assumptions especially where results can be interpreted even in the face of multicollinearity, use of CFA to reduce measurement error (by having multiple indicators per latent construct), and moreover the ability to test complete models rather than coefficients individually (Hoyle, 1995). SEM also offers the benefit of testing models with multiple dependents, of modelling mediating variables, of modelling error terms and very importantly of handling difficult data (e.g. incomplete data) (Hair *et al*, 1998; Hoyle, 1995; Sharma, 1996). However in the context of this study the most important advantage that SEM offers is the ability to simultaneously test coefficients across multiple between-subject groups, i.e. multi-group analysis (Sharma, 1996).

SEM if often referred to as causal modelling within marketing literature as it offers the additional advantage of testing causal hypotheses. However, Bollen (1989) reports that three conditions (i.e. association, isolation and directionality) need to be fulfilled in order to *accept* a causal hypothesis and whilst it appears that SEM satisfies the isolation and association conditions, the establishment of causal direction is less clear

(Hair *et al*, 1998). Kelloway (1998) reports that satisfying all three conditions "is more a matter of study design than of statistical technique". Hence, care should be taken as SEM cannot be used to provide a basis for causal inference, even though the hypotheses conceptualised may be causal in nature (Kelloway, 1998).

5.1.2   Assumptions of Structural Equation Modelling

The use of SEM has grown in popularity in the psychology and social science literature (Anderson & Gerbing, 1988). However, in order to assess the appropriate use of this multivariate technique it is imperative to address the underlying assumptions of SEM. Of particular importance are independence, multivariate normality, linearity, and continuous data (Hair *et al*, 1998; Sharma, 1996).

Violation of the multivariate normality assumption affects the statistical significance tests (Sharma, 1996), where SEM parameter estimates are still fairly accurate but χ^2 values are generally inflated (Kline, 1998). Consequently researchers believe that their models need more modification than actually necessary. This violation also tends to underestimate standard errors, which means that regression paths and factor/error covariances are found to be statistically significant more often than they should be. Unfortunately, there are very few statistical tests that can be performed to assess multivariate normality, but a fairly simple graphical plot of the squared Mahalanobis distance against the χ^2 statistic can be examined (Sharma, 1996). If this plot illustrates linearity, normality is indicated.

Continuous data is another assumption of SEM and although the present study used Likert scales, which are technically not continuous, it is generally accepted that there is

a continuous variable underlying each Likert scale (Jöreskog & Sörbom, 1996). However, it should be noted that use of ordinal or interval scales (such as Likert scales) that represent an underlying continuous variable is truncation of range and leads to a reduction in the coefficients in the covariance matrix used by SEM.

Another noteworthy assumption is that of linearity between independent and dependent variables. From the hypotheses formed previously (see chapter 2) it can be seen that all relationships are hypothesised as linear. This is important as non-linear relationships cannot be directly estimated in SEM (Hair *et al*, 1998).

Independence is also critical to SEM as a lack of independence can severely affect the statistical validity of the analysis (Hair *et al*, 1998). Simply put, the responses from each participant should be completely uncorrelated with the responses from other participants in the sample. Additional factors that need to be considered when using SEM will be highlighted, where necessary, below in the brief summary of the stages involved in SEM.

5.1.3   Model Specification and Identification

As previously noted, SEM has the ability to simultaneously incorporate measurement and structural considerations when estimating a complete model (Kelloway, 1998). The previous chapter detailed much of the literature regarding assessment of the measurement model in SEM (i.e. confirmatory factor analysis). Hence, the subsequent section will emphasise the structural considerations of SEM through path analysis and will only briefly recap any measurement considerations where relevant.

Various researchers have reported approaches to testing a structural model (Sharma, 1996; Hair *et al*, 1998; Kelloway, 1998). These approaches are somewhat similar to the three different model testing strategies reported by Jöreskog & Sörbom (1993): a strictly confirmatory approach, an alternative or competing model approach and finally a model generation approach.

In the strictly confirmatory approach a single model is formulated and an empirical data set is specifically collected to either accept or reject this model. With the alternative models approach, a number of different (i.e. alternative) models are specified and the model returning the best results from the analysis of the empirical data is selected. Lastly, with the model generation approach a tentative model is specified, however, if this model does not fit the data collected, the model is modified and re-analysed using the same dataset. This process can test several different models and the goal can be to not only find the model which fits the data well but also one where each parameter of the model can be given a substantively meaningful interpretation. The latter approach has been the most commonly practiced approach (Jöreskog & Sörbom, 1993). This is mainly because researchers are hardly ever content with rejecting a single model without suggesting an alternative and also because alternative models are rarely hypothesised *a priori*.

However, although the most common approach, the model generation approach has been subject to much criticism in literature (Sharma, 1996; Hair *et al*, 1998, Kelloway, 1998). A major problem cited with this approach is that the model eventually confirmed is a *post-hoc* model which ultimately may not be stable (i.e. is empirically driven so may not fit new data as the model accepted was created based on the

uniqueness of the initially collected empirical dataset) and ultimately increases the risk of accepting 'spurious' results (Hair *et al*, 1998). Hence Kelloway (1998) suggests that models respecified in this way should only be used for exploratory purposes rather than confirmatory.

A further problem reported with modifying relationships post-hoc, are that the changes made are not always generated from theory and thus models like these are merely justified empirically (by providing better statistical fit) rather than theoretically (Hair *et al*, 1998; Kelloway, 1998). For example, freeing correlations or covariances between error terms may improve fit but may also simultaneously invalidate the model theoretically. However, through citing Steiger (1990), Kelloway (1998) confirms that this is an inherent problem as possibly every researcher will be able to find theoretical reasoning for freeing parameters to obtain the desired results.

Thus, the model generating approach seems to be a method that should be used with caution. However, rejecting a model simply based on poor statistical fit does not provide any insight into what the actual theory may be, even though it follows the traditional hypothesis testing approach. Consequently, Kelloway (1998) suggests ways of overcoming empirically driven models. Firstly, researchers should only modify relationships in a model if they can be theoretically justified, whilst considering Steiger's (1990) comments and secondly where possible the model should be retested on a second dataset. Finally, all post-hoc modifications should be made explicitly clear to allow readers to form their own conclusions.

Model identification is concerned with whether a unique solution can be obtained for the hypothesised model (Bollen, 1989). According to Kelloway (1998) models can be just identified, underidentified or overidentified. A model which is just identified is where there are as many parameters to be estimated as there are elements in the covariance matrix. In a just identified model all of the path parameters can be computed but in doing so all of the available degrees of freedom are used and thus the goodness of fit tests on the model cannot be computed. An underidentified model exists if there are more parameters to be estimated than there are elements in the covariance matrix. Such models cannot generate a unique solution to the parameter estimates and prevent goodness of fit tests on the model.

Ideally researchers want an overidentified model which means that the number of observed variable variances or covariances is greater than the number of parameters to be estimated, which means that there are a number of different unique solutions (Bollen, 1989; Kelloway, 1998). Thus the solution which comes closest to explaining the observed data (with some margin of error) can be selected (Kelloway, 1998).

A further key consideration which warrants attention when evaluating identification of a structural equation model is that of causal flow. Models with arrows flowing in one way are known as recursive models. Recursive models are always overidentified as equations are not required to estimate half of the parameters, and thus is a sufficient condition for model identification (Bollen, 1989). However, it should be noted that non-recursive models can also be solvable under certain circumstances, for example, by fixing some parameters to a predetermined value such as zero (Kelloway, 1998).

Another condition for model identification is that each latent variable is measured using at least three indicators, or two indicators if the sample size is large or if the factors are allowed to be correlated (Bollen, 1989). A sample is considered large in this instance if it is greater than 200 (Kelloway, 1998).

There are a number of other issues that should be considered when conducting SEM. Some of these issues are shared with other methods such as regression like outliers, multicollinearity and power. Sample size is another issue of great relevance to SEM techniques.

Multicollinearity is concerned with the degree to which the independent variables within a regression model significantly correlate (Bollen, 1989; Kelloway, 1998). As multicollinearity increases, the effects of the independent variables become difficult to separate leading to unstable statistical results. Whilst this can possibly be resolved by deleting (i.e. modifying) problem variables, a host of other problems relating to model specification come into play. Complete multicollinearity results in singular covariance matrices, making it impossible to perform calculations such as matrix inversion because division by zero will occur.

Outliers, are observations with very high or very low scores, and these extreme cases should be considered to reduce their influence (Coakes & Steed, 2001). Outliers can be beneficial as they can reflect realities of the population that may not be discovered normally (Hair *et* al, 1998). However, outliers may also impact negatively on the analysis process and thus should be considered for deletion or modification depending on how the outlier occurred. Thus, prior to deletion the outliers should be checked

carefully as they can occur for a number of reasons such as respondent error, data entry error, coding error or the possibility that the respondent was outside the population of interest (Hair *et al*, 1988). The researcher will need to decide how the outlier occurred and if it is a valid piece of data then deleting it would seem theoretically implausible. West *et al* (1995), suggest three ways of dealing with outliers, either deletion, redefining the population or respecifying the model. However, before deciding which approach to take, conceptual and empirical outcomes need to be considered.

"The power of a test is its ability to correctly reject the null hypothesis when it is false" (Sharma, 1996). However, on the contrary in SEM the χ^2 test of model fit, tests for accepting the null hypothesis (Kelloway, 1998) by testing that the implied covariance matrix equals the observed covariance matrix, therefore an increase in power can cause problems to this approach. Classic statistical theory suggests that as power increases the likelihood of rejecting the null hypothesis (if it is correct) also increases. This can be problematic as SEM usually aims to accept a null hypothesis, so where high power exists incorrect rejection of the model may occur. Hence, the issue of power is especially important in SEM contexts when deciding whether to accept or reject a hypothesised model.

Further consideration needs to be given to sample size and the issue of power as the power of a test is directly proportional to sample size (Sharma, 1996). As SEM relies on 'large' samples and larger samples lead to higher power (Kaplan, 1995) great care needs to be taken when collecting data, i.e. too many responses may affect model fit statistics. Despite the effects of power, sample size is an issue of great importance within SEM. A number of different guidelines have been reported in literature with

respect to suitable sample sizes (e.g. Hair *et* al, 1998; Kelloway, 1998; Diamantopoulos & Siguaw, 2000). Kelloway (1998) suggests a minimum sample size of 200 cases when using maximum likelihood estimation in SEM. However, as mentioned in the previous chapter the ratio of sample size to the number of parameters can also be estimated to provide a practical sample size (Bentler and Chou, 1987). For example Bentler and Chou (1987) recommend a ratio between 5:1 and 10:1.

5.1.4 Operationalisation of Variables

Although SEM has the ability to incorporate both structural and measurement considerations simultaneously (Kelloway, 1998) this can become quite complicated as any problems encountered will be difficult to pinpoint, i.e. does the problem lie with the measurement model or the structural model. Hence, Anderson & Gerbing (1988) suggest a two-step approach, assessing the measurement model first and after adequate fit has been established, assessing the structural model. This approach was employed for this research where the previous chapter largely detailed the assessment of the measurement model. Thus the structural component will be assessed further on in this chapter.

Considering the structural model is more to do with assessing the relationship between the latent variables as opposed to between each variable and its underlying indicators (as in the measurement model) the number of indicators representing each variable is not of as much significance at this stage. Consequently, Bagozzi & Heatherton (1994) suggest the total aggregation of variables where each variable is measured by a single composite item (i.e. a composite of the indicators underlying the variable from the measurement model). This method would also help resolve the issue of sample size to

parameter estimate ratio as suggested by Bentler & Chou (1987) and the issue of model identification as mentioned previously. However, following the CFA that was conducted in the previous chapter, neither sample size or model identification was an issue and so none of the latent constructs were represented by a single observed indicator in this study.

5.1.5 Testing the Structural Model

In order to test the hypotheses, a latent variable path model was constructed in accordance with the conceptual framework detailed previously. Two conceptual models will be tested. One will be tested in a multigroup analysis for the indigenous samples (see Figure 5.1) and the other will be tested for the multinational samples (see Figure 5.2) individually[31]. However, before testing the model, the issues highlighted previously need to be considered.

5.1.5.1 Multicollinearity

Multicollinearity refers to the relationship among the independent variables (Pallant, 2001). Multicollinearity exists when there are high correlations among the independent variables, and "singularity occurs when perfect correlations among independent variables exist" (Coakes & Steed, 2001). These problems can affect how the relationship between the independent variables (predictors) and the dependent variable are interpreted, because multicollinearity implies that the regression

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[31] This is because the multinational group encountered measurement invariance problems, where equivalence of measures between these two samples could not be established. Refer to section 4.4

coefficients may be unstable meaning that they are likely to be subject to considerable variability from sample to sample (Bryman & Cramer, 2001).

In the previous chapter correlations between the variables were computed for the purposes of discriminant validity, thus they can be used here to assess if multicollinearity exists. Problems with multicollinearity have been associated with correlations in the range of 0.9 (Sharma, 1996). However, some correlation between the variables is naturally expected especially if the corresponding variables are hypothesised as related in the conceptual model. On examination of the correlation matrices in chapter 4, no major problems regarding multicollinearity were identified.

5.1.5.2   *Violation of Normality*

No major violations of the normality assumption were identified in the analysis conducted in the previous chapter. The Kolmogorov-Smirnov test and graphical illustrations were used to identify non-normal data (Sharma, 1996) and can be seen in Appendix 2. Some minor violations of this assumption were found both through the Kolmogorov-Smirnov test and through the graphical techniques used, however, SEM techniques are reasonably robust to minor violations of the normality assumption (Chou & Bentler, 1995; Hair *et al*, 1998; Kelloway, 1998). Hence, these were not considered to be a major problem and analysis continued.

5.1.5.3   *Outliers*

Furthermore throughout the four datasets only four outliers were identified. However, as all responses were confined to a defined range of 1-7 through the use of the Likert-

scale response format, the chances of there being many potential outliers had already been minimised. Thus, any potential outliers would most likely have been due to data entry errors or respondent errors. As this was thoroughly checked for earlier on in the data screening process, the outliers identified needed to be considered for deletion. However, as all of the outliers identified were not extreme (due to the Likert response format) these cases would have had a marginal effect on model fit. Hence, the decision was taken to retain all of the outliers identified.

5.1.6   Model Specification

A full path model can now be specified, in order to test the hypotheses stated in chapter two[32]. Figure 5.1 shows the entire model to be tested and figure 5.2 shows the model to be tested in the multinational samples. It is worth noting that all variables and relationships have been labelled using notation consistent with SEM literature, i.e. the Greek alphabet, despite criticism reporting that using this notation increases complexity (Hoyle, 1995). Considering this criticism and to aid simplicity and clarity, the observed indicators were not included in the diagram.

Before presenting the model testing results, it is important to discuss model fit and how this can be assessed. Model fit is generally assessed to determine the degree that the entire hypothesised model is consistent with the empirical data attained (Diamantopoulos & Siguaw, 2000). However, although there is no single measure that can effectively describe the overall fit of structural equation models (Hair *et al*,

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[32] Excluding any hypotheses relating to role ambiguity as these items were not suitable for further analysis. Refer to section 4.3.2

2006) a variety of 'goodness-of-fit indices' have been developed to be able to assess overall model fit.

5.1.7   Overall Fit Assessment

Goodness-of-fit indices have been split into three broad areas of absolute fit, incremental fit and parsimony fit (Hair *et al*, 2006). Absolute fit indices provide the most basic assessment of how well the hypothesised model reproduces the observed data (Hair *et al*, 2006). Incremental fit indices (also known as comparative fit indices (Kelloway, 1998)) assess how well a specified model fits relative to an alternative baseline model (e.g. null model, where all observed variables are considered to be uncorrelated) (Hair *et al*, 2006). The parsimony fit indices are to aid researchers in deciding which model among a set of competing models is best, considering its model fit to model complexity, and so a parsimony fit measure is improved either by better fit or by a simpler model (Hair *et al*, 2006).

The most fundamental measure of absolute fit is the chi-squared (χ^2) statistic (Hair *et al*, 2006). This measure provides a test of the null hypothesis in which the model fits the data perfectly (Diamantopoulos & Siguaw, 2000). A statistically significant chi-square rejects the null hypothesis implying that the model fit is not perfect and it may need to be rejected (Diamantopoulos & Siguaw, 2000). Thus, a non-significant chi-square implies that the model fits the data whereby the model can reproduce the population covariance matrix is the desired result (Kelloway, 1998).

However, a non-significant chi-square is not enough to accept that the model has been correctly specified as it does not deduce that another model would fit better or as well

(Kelloway, 1998; Hair *et al*, 2006). Furthermore, the chi-square statistic is also sensitive to sample size where samples greater than 200 are more likely to produce significant chi-square values (Sharma, 1996; Kelloway, 1998; Diamantopoulos & Siguaw, 2000; Hair *et al*, 2006). Consequently, using the chi-square as the only indicator of SEM fit is not advisable and researchers are encouraged to use additional measures (Sharma, 1996; Kelloway, 1998; Diamntopolous & Siguaw, 2000; Hair *et al*, 2006). Hair *et al* (2006) suggests using three to four fit indices to provide adequate evidence of model fit and recommends a set of indices which are common to a wide range of contexts including the CFI, TLI, RNI, Gamma Hat, SRMR and RMSEA. Additionally they add that a "researcher need not report all of these indices because of the redundancy among them….however the researcher should report at least one incremental index and one absolute index, in addition to the χ^2 value and the associated degrees of freedom".

In order to aid a better understanding of which index is appropriate to use when assessing model fit a selection of fit indices will be discussed in the following sections.

5.1.7.1   Absolute Fit Indices

As well as the chi-square index, other absolute fit indices include, the root mean squared residual (RMSR), the root mean squared error of approximation (RMSEA), goodness-of-fit (GFI) and the adjusted goodness of fit (AGFI). The RMSR is the simplest fit index provided by LISREL and is the square root of the mean of the squared discrepancies between the implied and observed covariance matrices (Kelloway, 1998). However this index can be sensitive to the scale of measurement,

and in such cases the standardised RMSR should be used. For this index generally a value less that 0.05 indicates good fit (Kelloway, 1998). The RMSEA is "generally regarded as one of the most informative fit indices" (Diamantopoulos & Siguaw, 2000). Acceptable values differ somewhat concerning this index, however Diamantopoulos & Siguaw (2000) suggest that values less than 0.05 indicate good fit, between 0.05 and 0.08 reasonable fit, between 0.08 and 0.10 mediocre fit and greater than 0.10 indicates poor fit. On the other hand Hair *et al* (2006) recommend values less than 0.08 if the sample size is less than 250 and less than 0.07 if the sample size is more than 250 to indicate good fit.

The GFI indicates the amount of variances and covariances accounted for by the hypothesised model (Diamantopoulos & Siguaw, 2000). Although it was developed to produce a fit index that was meant to be less sensitive to sample size it is still relatively sensitive to it (Hair *et al*, 2006). The AGFI is simply the GFI adjusted for the degrees of freedom in the model similar to an adjusted r² (Diamantopoulos & Siguaw, 2000). The values for both of these lie between 0 and 1 where a value greater than 0.9 indicates good fit (Diamantopoulos & Siguaw, 2000; Hair *et al*, 2006).

5.1.7.2   Incremental Fit Indices

These include the normed fit index (NFI), the comparative fit index (CFI), the tucker lewis index (TLI, but also know as the NNFI) and the relative noncentrality index (RNI). The NFI compares the proposed model to a baseline model that is known *a priori* (Kelloway, 1998). Values exceeding 0.9 indicate a good fit, however this index should not be used for small samples (Kelloway, 1998). The CFI is an improvement

on the NFI and is the most widely used index where again values greater than 0.9 indicate good fit (Hair *et al*, 2006). Similar to the AGFI the TLI or NNFI adjusts the NFI for the number of degrees of freedom in the model, where again values greater than 0.9 indicate good fit (Kelloway, 1998; Diamantopoulos & Siguaw, 2000). The RNI compares the fit resulting from testing a hypothesised model to that of a null model and indicates good fit when values exceed 0.9 (Hair *et al*, 2006).

5.1.7.3 *Parsimonious Fit Indices*

These include the Akaike's information criterion (AIC), the parsimony goodness-of-fit index (PGFI), and the parsimonious normed fit index (PNFI). The AIC assesses model parsimony by taking the number of estimated parameters in account (Diamantopoulos & Siguaw, 2000). The consistent version of the AIC (CAIC) adjusts the AIC for sample size effects (Diamantopoulos & Siguaw, 2000). CAIC is "specifically designed to provide information about which model among a set of competing models is best, considering its fit relative to its complexity" (Hair *et al*, 2006). As both AIC and CAIC are comparators, smaller values for both indices indicate a better fit of the hypothesised model. The PGFI adjusts the GFI to account for model complexity and values greater than 0.5 indicate good fit (Diamantopoulos & Siguaw, 2000). Finally the PNFI adjusts the NFI by taking degrees of freedom into account. Again this index is used as a comparator so values lower than the NFI indicate better fit (Diamantopoulos & Siguaw, 2000).

5.1.8 Results

The results produced are presented in the subsequent sections. Initially the overall fit statistics will be given for each model in each sample followed by details of the individual hypotheses. The fit statistics presented are guided by the previous discussion and are χ^2, the χ^2/degrees of freedom ratio, RMSEA, NNFI and CFI.
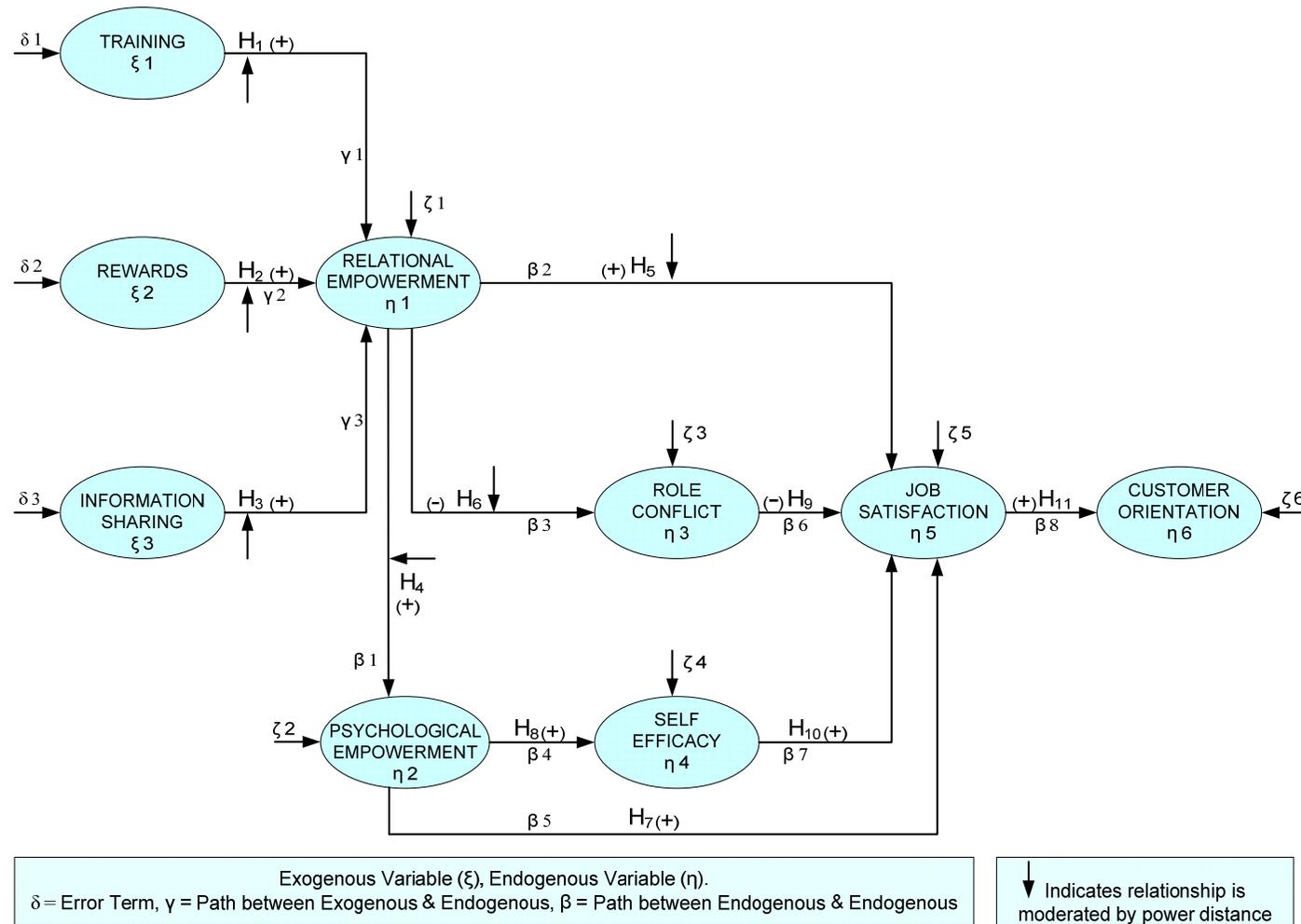
Figure 5.1 Hypothesised Structural Equation Model Specification For Multigroup Analysis

5.2   SECTION TWO – Multigroup Analysis for Indigenous Samples

5.2.1   Structural Model Test Results

Table 5.1

χ^2	Df	χ^2/df	RMSEA	CFI	NNFI
1497.76	700	2.14	0.086	0.913	0.906

The chi-squared value and the degrees of freedom presented are reasonably unclear as in isolation they are quite meaningless. Previous literature has criticised the used of the chi-square statistic due to the sensitivity it displays with sample size (Hair *et al*, 2006). Therefore other measures of evaluating fit are always recommended to researchers. However the chi-square test should not be completely discounted and therefore the chi-square to the degrees of freedom observed was calculated and found to be in acceptable limits, i.e. greater than 2 and less than 3. In response to the criticisms and following Hair *et al* (2006) advice of including at least three to four indices, the other measures were examined. The CFI and NNFI were above their acceptable limits of 0.9 (Sharma, 1996; Kelloway, 1998; Diamantopoulos & Siguaw, 2000; Hair *et al*, 2006). However, the RMSEA was slightly over the acceptable limit of reasonable fit (i.e. 0.08) as suggested by Diamantopoulos & Siguaw (2000) and given its sample size it was also over the recommended fit reported by Hair *et al* (2006) which was also 0.08. Nonetheless, a RMSEA value over 0.08 still indicates mediocre fit (Diamantopoulos & Siguaw, 2000) and thus this model appears to exhibit acceptable levels of model fit[33].

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[33] Furthermore considering the complexity of the multigroup analysis across these two cultures the RMSEA value seems relatively reasonable.

5.2.2   Individual Hypothesis Test Results

The fit statistics presented above are useful for assessing the overall model fit, however, they do not give any information regarding the individual relationships in the whole model. Hence, the following section will examine the individual hypotheses developed in chapter two. For each relationship a path coefficient and t-value were obtained.   The path coefficient informs us of the extent and direction of the relationship between the independent and dependent variables (Diamantopoulos and Siguaw, 2000). Path coefficients were accepted as significant if the corresponding t-value was equal to or exceeded 1.645 at the 5% level or 1.28 at the 10% level (Fornell and Larcker, 1981). Table 3 summarises the results found. It can be seen that of the eleven hypothesised relationships seven were significant in both samples. However, the significant relationships differed between the two samples.

Table 5.2 – Individual Hypothesis Test Results for Multigroup Analysis

		UK Indigenous		India Indigenous	
Hypothesis	**Relationship**	**Coefficient**	**t-value**	**Coefficient**	**t-value**
1	Tra → Rel Emp	0.47	2.81**	-0.14	-1.26
2	Rew → Rel Emp	0.11	1.07	0.31	1.75**
3	Info → Rel Emp	-0.00	-0.04	0.89	4.01**
4	Rel Emp → Psy Emp	0.85	7.20**	0.92	7.07**
5	Rel Emp → Job Sat	0.90	3.22**	0.58	1.52*
6	Rel Emp → Rol Con	0.77	4.50**	0.33	5.30**
7	Psy Emp → Job Sat	0.45	1.37*	0.04	0.12
8	Psy Emp → Self Eff	0.52	8.20**	0.52	4.79**
9	Rol Con → Job Sat	0.00	0.04	-0.21	-0.58
10	Self Eff → Job Sat	-0.19	-0.56	-0.04	-0.71
11	Job Sat → Cust Or	0.28	4.20**	0.84	6.36**

**significant at the 5% level (one-tailed test)

*significant at the 10% level (one-tailed test)

5.2.2.1   Hypotheses Relating to the Antecedents

H_1: In a low power distance culture training employees will increase levels of relational empowerment, whereas in a high power distance culture training employees will decrease levels of relational empowerment

Strong support was found for this hypothesis. The UK sample returned a coefficient of 0.47 and a t-value of 2.81, indicating that training has a positive effect on relational empowerment levels amongst employees in a low power distance culture.

Likewise as hypothesised training did not increase relational empowerment levels of employees from the high power distance culture. The coefficient from the India sample was -0.14 with a t-value of -1.26. In other words the effect of training amongst Indian employees seemed to have a negative impact on relational empowerment levels. This relationship approaches the 10% significance level.

H_2: In a low power distance culture, employees who are rewarded for their ability to satisfy customers will experience higher levels of relational empowerment, compared with employees from a high power distance culture

This hypothesis was not supported. Contrary to original belief this relationship was not supported in the UK sample as the coefficient value returned was 0.11 with a t-value of 1.07. However, support for this hypothesis was found in the Indian sample at the 5% significance level. The coefficient value was 0.31 with a t-value of 1.75. These results indicate that being rewarded positively influenced employees from a

high power distance culture but had little or no effect amongst employees from a low power distance culture.

H₃: In low power distance cultures information sharing will have a greater effect on employee relational empowerment levels compared to relational empowerment levels in high power distance cultures

This hypothesis was not supported. Instead effective information sharing led to increases in relational empowerment levels amongst employees from the high power distance cultures, returning a coefficient value of 0.89 and a t-value of 4.01. These results imply that information sharing in the company plays a key role in relational empowerment levels amongst employees from high power distance cultures.

5.2.2.2   Hypotheses Relating to Relational Empowerment

H₄: In low power distance cultures relational empowerment will lead to an increase in psychological empowerment levels, whereas in high power distance cultures relational empowerment will lead to a decrease in psychological empowerment levels

This hypothesis was partially supported as relational empowerment led to increasing psychological empowerment levels amongst employees from both cultures and not just amongst employees from the low power distance culture. The UK sample returned a coefficient value of 0.85 with a t-value of 7.20 and the India sample had a coefficient value of 0.92 and a t-value of 7.07. These results indicate that the presence of relational empowerment within the company increases the levels of psychological

empowerment experienced amongst employees in both cultures and not just low power distance cultures as originally hypothesised.

H_5: In low power distance cultures relational empowerment will lead to an increase in job satisfaction levels whereas in high power distance cultures relational empowerment will lead to a decrease in job satisfaction levels

There was limited support for this hypothesis as relational empowerment led to increasing job satisfaction levels amongst employees from both cultures and not just amongst employees from the low power distance culture. However, the magnitude and significance of this relationship was relatively higher in the UK sample returning a coefficient value of 0.90 and a t-value of 3.22. Conversely, this relationship was only supported at the 10% significance level in the Indian sample returning a coefficient value of 0.58 and a t-value of 1.52. This indicates that relational empowerment has a positive and direct impact on job satisfaction levels amongst employees from both countries however, this relationship is stronger in the UK sample.

H_6: Relational empowerment will have a greater effect on reducing role conflict levels in low power distance cultures compared with high power distance cultures

This hypothesis was not supported as relational empowerment increased role conflict levels amongst employees from both cultures, as opposed to reducing role conflict in the low power distance culture as originally hypothesised. The results indicate that the magnitude of this relationship was higher in the UK sample, although both samples returned highly significant coefficients. Thus, it appears that although relational

empowerment increases role conflict levels in both cultures it appears that role conflict is more eminently increased in the low power distance culture.

5.2.2.3 Hypotheses Relating to Psychological Empowerment

H_7: Psychological empowerment will lead to increasing levels of job satisfaction across both cultures

This hypothesis was only supported at the 10% level in the UK sample. The coefficient was 0.45 with a t-value of 1.37. This indicates that amongst UK employees increases in psychological empowerment lead to increases in job satisfaction levels. Conversely feelings of psychological empowerment do not lead to increasing levels of job satisfaction amongst the Indian employees. These results suggest that this relationship may be moderated by power distance, where psychological empowerment increases job satisfaction amongst employees from low power distance cultures (i.e. psychological empowerment may be culturally bound contrary to what was originally conceived).

H_8: Psychological empowerment will lead to increasing levels of self-efficacy across both cultures

Strong support was found for this relationship in both samples. Although the magnitude of the relationship was the same in both samples, i.e. the coefficient value was 0.52, the UK sample was more significant than the India sample, with t-values of 8.20 and 4.79 respectively. This indicates that increases in psychological

empowerment increases levels of self-efficacy amongst employees in the UK and India.

5.2.2.4   *Hypotheses Relating to Behavioural & Attitudinal Predictors*

H_9: Role conflict will lead to decreasing levels of job satisfaction across both cultures

This hypothesis was not supported. The coefficient from the UK sample was 0.00 with a t-value of 0.04, whereas the coefficient from the India sample was -0.21 with a t-value of -0.58. These results imply that increasing levels of role conflict have no effect on an employees job satisfaction levels across both cultures.

H_{10}: Self-efficacy will lead to increasing levels of job satisfaction across both cultures

This hypothesis was not supported. The coefficient in the UK sample was -0.19 with a t-value of -0.56 whereas the coefficient returned in the India sample was -0.04 with a t-value of -0.71. These results indicate that self efficacy has no effect on job satisfaction levels amongst the Indian and UK employees in this study.

H_{11}: Job satisfaction leads to higher levels of customer orientation across both cultures

This hypothesis was supported. The coefficient in the UK sample was 0.28 with a t-value of 4.20. However, the magnitude of the relationship was much stronger in the India sample returning a coefficient of 0.84 and a t-value of 6.36. These results

indicate that although increases in job satisfaction levels lead to increases in customer orientation levels amongst employees from both cultures this relationship appears to be stronger amongst employees from the high power distance culture.
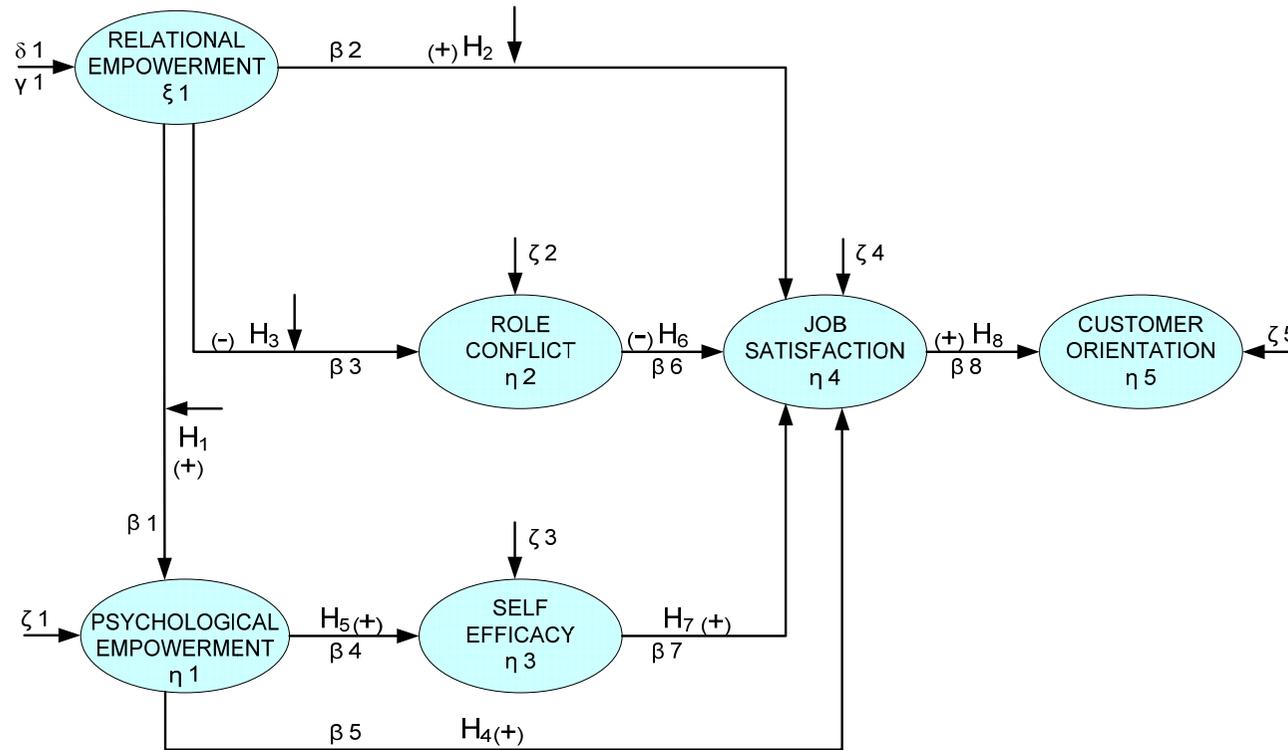
Figure 5.2 Hypothesised Structural Equation Model Specification For Multinational Samples

5.3   SECTION THREE – Multinational Samples

As previously discussed measurement invariance was not established for the multinational samples[34] and consequently a multigroup analysis could not be performed here. The following results and comparisons are therefore more speculative and tentative rather than definite.

5.3.1   UK Multinational Sample - Structural Model Test Results

Table 5.3

X²	df	X²/df	RMSEA	CFI	GFI	NNFI
273.09	144	1.9	0.078	0.909	0.836	0.892

The chi-square to degrees of freedom ratio was slightly below acceptable limits of good fit (i.e. below 2). However, as previously discussed this measure should not be used in isolation as it is sensitive to sample size, hence other indices were examined. The RMSEA gives an indication of reasonable model fit as it is below 0.08 (Diamantopoulos & Siguaw, 2000). Likewise the CFI is above its recommended limit of 0.9, thus again indicating good fit. Unfortunately the NNFI falls just below its recommended 0.9 cutoff value indicating that model fit may not be so good. Similarly the GFI falls short of its recommended 0.9, again indicating that the model is not of good fit. These results present somewhat conflicting measures regarding assessment of this model as RMSEA and GFI are both absolute measures of fit and the CFI and NNFI are incremental levels of fit, however within each group of measures one indicates good fit and the other poor. However, as the two indices indicating poor fit

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[34] Refer to section 4.4

were not too far below their recommended cut-offs it can be reasonable to deduce that this model exhibits moderate fit.

5.3.2 Individual Hypotheses Results

Table 5.4 summarises the results found for the individual hypotheses in the UK multinational sample. Of the eight relationships hypothesised five were significant.

Table 5.4 – Individual Hypothesis Test Results for UK Multinational Sample

Hypothesis	Relationship	Coefficient	t-value
1	Rel Emp → Psy Emp	0.93	6.16**
2	Rel Emp → Job Sat	0.32	0.65
3	Rel Emp → Rol Con	0.20	1.79**
4	Psy Emp → Job Sat	0.49	0.94
5	Psy Emp → Self Eff	0.59	4.61**
6	Rol Con → Job Sat	-0.09	-1.07
7	Self Eff → Job Sat	0.28	2.10**
8	Job Sat → Cust Or	0.70	6.40**

**significant at the 5% level (one-tailed test)

*significant at the 10% level (one-tailed test)

5.3.2.1 Hypotheses Relating to Relational Empowerment

H1: Relational empowerment has a positive impact on psychological empowerment

Strong support was found was for this relationship, returning a coefficient of 0.93 and a t-value of 6.16. This indicates that the presence of relational empowerment amongst employees increases their psychological empowerment levels.

H2: Relational empowerment has a positive and direct impact on job satisfaction levels

No support was found for this hypothesis. A coefficient value of 0.32 was found with a t-value of 0.65. This indicates that increases in relational empowerment levels do not increase job satisfaction levels amongst employees in this sample.

H3: The greater the level of relational empowerment, the smaller the level of role conflict

Surprisingly this relationship was not supported as the opposite was found to be true. The analysis returned a coefficient value of 0.20 and a t-value of 1.79. This indicates that increasing levels of relational empowerment lead to increases in role conflict amongst employees in this sample.

5.3.2.2   Hypotheses Relating to Psychological Empowerment

H4: Psychological empowerment has a positive and direct effect on job satisfaction

No support was found for this relationship. A coefficient of 0.49 was returned with a t-value of 0.94. This indicates that increases in psychological empowerment levels amongst employees does not directly effect increases in job satisfaction levels amongst employees in this sample.

H5: Psychological empowerment increases levels of self-efficacy

Strong support was found for this relationship with a coefficient value of 0.59 and a t-value of 4.61. This indicates that increases in psychological empowerment lead to increases in self efficacy levels amongst employees in this sample.

5.3.2.3 Hypotheses Relating to Behavioural & Attitudinal Predictors

H6: The greater the level of role conflict, the smaller the level of job satisfaction

No support was found for this relationship. A coefficient value of -0.09 was returned with a corresponding t-value of -1.07. This indicates that increases in role conflict do not lead to smaller levels of job satisfaction in this sample.

H7: Increases in self efficacy levels lead to an increase in the level of job satisfaction

This relationship was supported at the 5% level returning a coefficient value of 0.28 and a t-value of 2.10. This indicates that increases in self efficacy levels amongst employees in this sample lead to increases in levels of job satisfaction.

H8: Increases in job satisfaction levels lead to increases in customer orientation levels

Strong support was found for this relationship with a coefficient of 0.70 and a t-value of 6.40. This indicates that increases in job satisfaction levels directly increase customer orientation levels amongst employees in this sample.

5.3.3   India Multinational Sample - Structural Model Results

Table 5.5

X²	Df	X²/df	RMSEA	CFI	NNFI	GFI
349.04	162	2.15	0.083	0.943	0.933	0.827

Overall the fit statistics for the India multinational model seem to indicate that again model fit is moderate as although the chi-square to degrees of freedom ratio is over 2 (and under 3) as recommended, the other absolute measures of fit are both indicative of moderate fit. In other words the RMSEA is slightly over the 0.08 limit representing moderate fit (Diamantopoulos & Siguaw, 2000) and the GFI falls quite short of its recommended 0.9 cutoff value (Diamantopoulos & Siguaw, 2000; Hair *et al*, 2006). However, both of the incremental fit indices exceed their recommended cutoff values of 0.9 (Diamantopoulos & Siguaw, 2000; Hair *et al*, 2006) indicating good fit.

5.3.4   Individual Hypotheses Results

Table 5.6 summarises the results found for the individual hypotheses in the India multinational sample. Of the eight relationships hypothesised seven were significant.

Table 5.6 – Individual Hypothesis Results for India Multinational Sample

Hypothesis	Relationship	Coefficient	t-value
1	Rel Emp → Psy Emp	0.72	5.28**
2	Rel Emp → Job Sat	0.84	5.46**
3	Rel Emp → Rol Con	0.29	2.16**
4	Psy Emp → Job Sat	0.11	0.96
5	Psy Emp → Self Eff	0.63	4.77**
6	Rol Con → Job Sat	-0.19	-2.30**
7	Self Eff → Job Sat	0.27	3.27**
8	Job Sat → Cust Or	0.86	8.70**

**significant at the 5% level (one-tailed test)
*significant at the 10% level (one-tailed test)

5.3.4.1   Hypotheses Relating to Relational Empowerment

H1: Relational empowerment has a positive impact on psychological empowerment

Strong support was found for this hypothesis with a path coefficient of 0.72 and a t-value of 5.28. This indicates that increases in relational empowerment levels directly increase levels of psychological empowerment levels amongst employees in this sample.

H2: Relational empowerment has a positive and direct impact on job satisfaction levels

Strong support was found for this relationship as a coefficient of 0.84 was returned with a corresponding t-value of 5.46. This indicates that increasing levels of job satisfaction directly lead to increasing levels of job satisfaction amongst employees in this sample.

H3: The greater the level of relational empowerment, the smaller the level of role conflict

Surprisingly this relationship was not supported as the results implied the opposite to be true.   The analysis returned a coefficient of 0.29 and a t-value of 2.16.   This indicates that increases in relational empowerment lead to increases in levels of role conflict experienced by employees in this sample.

5.3.4.2   Hypotheses Relating to Psychological Empowerment

H4: Psychological empowerment has a positive and direct effect on job satisfaction

No support was found for this relationship, with a coefficient of 0.11 and a t-value of 0.96.   This indicates that increases in psychological empowerment levels do not directly increase job satisfaction levels amongst employees in this sample.

H5: Psychological empowerment increases levels of self-efficacy

Strong support was found for this relationship. A coefficient value of 0.63 was found with a corresponding t-value of 4.77. This indicates that increases in psychological empowerment levels lead to increases in self efficacy levels amongst employees in this sample.

5.3.4.3   Hypotheses Relating to Behavioural & Attitudinal Predictors

H6: The greater the level of role conflict, the smaller the level of job satisfaction

This relationship was supported returning a coefficient value of -0.19 and a t-value of -2.30. This indicates that increases in role conflict levels lead to a decrease in levels of job satisfaction levels amongst employees in this sample.

H7: Increases in self efficacy levels lead to an increase in the level of job satisfaction

Support was found for this relationship with a path coefficient of 0.27 and a t-value of 3.27. This indicates that increases in self efficacy levels lead to increases in job satisfaction levels amongst employees in this sample.

H8: Increases in job satisfaction levels lead to increases in customer orientation levels

Strong support was found for this relationship returning a coefficient of 0.86 and a corresponding t-value of 8.70. This indicates that as job satisfaction levels increase amongst employees in this sample so do the customer orientation levels.

5.4 Comparing the two Multinational Samples

Although definite comparisons cannot be made between these two samples (due to the lack of measurement invariance) a tentative assessment can be made based on the fact that the same model was tested in each sample. Close inspection reveals many similarities between the two samples, as six of the eight hypothesised relationships yield the same result. This can be seen in table 5.7, where only hypotheses 2 and 6 differ in their results. This suggests that although cultural differences exist between the two countries, the fact that the respondents were from subsidiaries of the same multinational bank may have influenced their attitude and behaviour in the workplace, thus producing similar results. This will be further discussed in the following chapter.

Table 5.7 - Comparison of Hypothesis Results for Multinational Samples

Hypothesis	Relationship	UK	India
1	Rel Emp → Psy Emp	Supported	Supported
2	Rel Emp → Job Sat	NS	Supported
3	Psy Emp → Job Sat	NS	NS
4	Rel Emp → Rol Con	Not Supported	Not Supported
5	Psy Emp → Self Eff	Supported	Supported
6	Rol Con → Job Sat	NS	Supported
7	Self Eff → Job Sat	Supported	Supported
8	Job Sat → Cust Or	Supported	Supported

where NS denotes Not Significant

Most interestingly, a comparison of the above results with the two indigenous samples gives rise to some surprising inferences[35], as four of the eight hypotheses produce similar results across all four samples. These results will be discussed in more depth in the following chapter.

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[35] NB These results cannot be directly compared and thus only tentative comparisons and inferences can be made

6   DISCUSSION

The principal aim of this chapter is to discuss the main findings and the implications of the study in relation to previous theory and knowledge. In order to do this initially the reason behind the study and the research objectives will be summarised to highlight the importance and purpose of it. Secondly, the service model developed will be discussed in relation to all four samples of data. Following this the results of the individual hypothesised relationships and their implications will be discussed in relation to theory. Next, the contributions of the present study will be reviewed. The primary contribution of the study is that the service model developed holds across both cultures using existing measures. Further, the empirical testing of relational and psychological empowerment in the same study indicate that they are two distinct constructs which produce different effects and therefore need to be conceptualised and measured accordingly in future studies. Additionally, the study contributes to the advancement of the management of service employees in practice as the results suggest that relational empowerment rather than psychological empowerment is more beneficial, across both cultures tested.

When discussing the managerial implications, particular attention will be given to service managers of both multinational and indigenous organisations.   A key implication for service managers from high power distance cultures is that they need to pay more attention to the implementation of relational empowerment in order to maximise its potential benefits. This is of significant importance as the results suggest that it is relational empowerment that increases job satisfaction levels rather than psychological empowerment.

Finally, the limitations of the study will be noted and a number a suggestions will be made for future research.

6.1 Study Initiative

An important element of service management is internal marketing (Berry, 1981; George, 1990; Grönroos, 1994) which is intertwined with the notion of empowerment (Berry *et al*, 1976; Varey & Lewis, 1999; Rafiq & Ahmed, 2000). Empowerment has grown in popularity over the last two decades, however, it still remains ill-defined and its consequences still lack clarity and present conflict both in marketing and management literature (Fock *et al*, 2002). A review of previous empowerment literature indicates that this may be due to the different conceptualisations of empowerment that are adopted by different researchers in their respective studies. Almost two decades ago Conger & Kanungo (1988) highlighted two aspects of empowerment; as a relational construct and as a psychological construct. However, researchers tend to focus on only a single aspect of empowerment and this may be inadequate to explain the multitude of effects it may have in the workplace, thus leading to conflicting views.

Of further concern is the prevalent use of empowerment by international service managers as not only is there conflict regarding the consequences of empowerment, there is also much debate regarding whether management practices need to be modified when transferred across cultures either in an indigenous organisation or a multinational organisation. Hofstede (1993) emphasises the importance of culture reporting that universal management theories do not exist and thus cannot be

operationalised. This implies that a management practice such as empowerment does need to be modified when employed across cultures.

This can be further supported with particular reference to empowerment. As empowerment (from a managerial perspective) largely involves the autonomy and the sharing of authority, logic suggests that cultures where a hierarchical management structure exists empowering the 'powerless' (i.e. front-line employees) would cause great role stress and confusion. Thus, power distance (Hofstede, 1980), or the degree to which people accept and expect differences in authority, seems to be a distinct cultural factor that can influence relational empowerment practices across cultures.

Following these issues highlighted in literature, the subsequent research objectives were set for the present study. Primarily, the objectives are focused on relational and psychological empowerment amongst front-line service employees and their substantive consequences across different cultures. More specifically, the objectives of this study are:

1) To identify if relational empowerment and psychological empowerment reflect the same construct or indeed need to be studied separately

2) If they are different, then to identify which is more relevant for service managers to consider when implementing empowerment programmes to gain maximum benefit

3) To identify if empowerment can be implemented across cultures to achieve the same (positive) effects.

4) To investigate the influence of national culture on the effects of empowerment in two subsidiaries of a multinational organisation (i.e. to determine whether

congruence with the cultural value of the host country dominates management practices in multinational organisations)

6.2   Implications of the Results

This study presents two groups of data (i.e. from two indigenous and one multinational bank) to examine the effects of relational and psychological empowerment across two different cultures. Two service models were tested, (one for each group of data) due to the lack of measurement invariance in the two multinational samples. The model for the indigenous samples (i.e. the multigroup analysis) included antecedents and mediators of empowerment whereas the second model only included mediators of empowerment. This resulted in an extra three hypotheses for model one leaving the remaining eight hypotheses the same as in model two, thus allowing tentative comparisons to be made for all four samples of data regarding these eight hypotheses.

Table 6.1 shows that four of the hypotheses produce similar results indicating few differences between the four samples. Of the resulting four, each group of data produced similar results for their two respective samples. For example self efficacy was hypothesised to increase levels of job satisfaction and this was significantly supported in the two multinational samples but was not significant in the two indigenous samples. The three hypotheses relating to the effect of antecedents on relational empowerment showed the most contrasting results between the two disparate cultures. Collectively these results imply that although the effect of relational empowerment may not vary so much across cultures, the way in which an organisation implements relational empowerment is culturally dependent.

Table 6.1 – Comparison of the Results from all Four Samples

	Indigenous		Multinational	
Hypothesis	**UK**	**India**	**UK**	**India**
Tra → Rel Emp	SIG	NS	NA	NA
Rew → Rel Emp	NS	SIG	NA	NA
Info → Rel Emp	NS	SIG	NA	NA
*Rel Emp → Psy Emp	SIG	SIG	SIG	SIG
Rel Emp → Job Sat	SIG	SIG	NS	SIG
*Rel Emp → Rol Con	SIG	SIG	SIG	SIG
Psy Emp → Job Sat	SIG	NS	NS	NS
*Psy Emp → Self Eff	SIG	SIG	SIG	SIG
Rol Con → Job Sat	NS	NS	NS	SIG
Self Eff → Job Sat	NS	NS	SIG	SIG
*Job Sat → Cust Or	SIG	SIG	SIG	SIG

where SIG = significant & NS = not significant, NA = not applicable

* same result obtained across all four samples

The results obtained from this study are interesting and important for substantive, theoretical and methodological reasons. Substantively, relational empowerment is a managerial practice that has become very popular among researchers and practitioners alike. Clearly, the results from the service model presented (from both groups) suggest that relational empowerment has significant relationships with psychological empowerment, job satisfaction[36] and role conflict across both groups and cultures, which are of considerable importance to an organisation's functioning. Additionally, the substantive finding that relational empowerment increases psychological empowerment across the two different cultures provides researchers and practitioners with some important information, regarding their practical value.

Theoretically, the results provide support for the contention that relational empowerment has a similar effect across these two cultures, despite earlier postulations. Only one relationship in one of the four samples indicated otherwise as

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[36] NB The relationship between relational empowerment and job satisfaction was not significant in the UK multinational sample.

relational empowerment had no significant effect on job satisfaction in the UK multinational sample. This is somewhat surprising as relational empowerment was expected to have a stronger effect on job satisfaction in the low power distance culture[37].

However, this unexpected result could have been due to other stressors that were not accounted for in this study such as, employee burnout, role overload, role clarity, stress in general, and/or job withdrawal, suggesting that the relationship between relational empowerment and job satisfaction may not be direct and may in fact be mediated by one of the factors listed previously or indeed by another environmental or contextual factor. This may be partially supported by the relationship between relational empowerment and role conflict, where relational empowerment causes increases in role conflict. Role conflict is repeatedly reported as an important determinant to job satisfaction where role conflict causes lower levels of job satisfaction (Sumrall & Sebastianelli, 1999; Boles & Babin, 1996; Gregson & Wendell, 1994; Igbaria & Guimares, 1993; Chebat & Kollias, 2000; Hartline & Ferrell, 1996). Although this relationship was not significant in the present study it was approaching the 10% significance level. Thus role conflict may have mediated the relationship between relational empowerment and job satisfaction.

Additionally, these results suggest that power distance may need to be higher before it results in negative consequences in response to relational empowerment. Thus, although power distance is higher in India than the UK, it is possible that the Indians have learnt how to tolerate and maybe accept the hierarchical structure and therefore

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[37] Refer to Section 2.4.1 in chapter 2

the results obtained reflect similar effects of relational empowerment across both of these cultures. It is possible that a country scoring higher on the power distance index (such as Mexico or Malaysia (Hofstede, 1991)) would have shown more negative attitudes in response to relational empowerment as hypothesised for the high power distance culture in this study.

Another theoretically and methodologically meaningful result is the fact that model one provided adequate fit for the data in the two indigenous samples. That is, the results provide some support for the contention that many of the variables in model one are related in approximately the same way in both of the two disparate cultures. This is very important as it suggests support for the belief that some aspects of empowerment are consistent across cultures rather than completely culture dependent. In other words the effect of relational empowerment is somewhat similar across cultures but the way in which it is implemented is not. Thus, in order to maximise the potential benefits of relational empowerment it becomes more important to concentrate on its implementation first.

The paths leading from the antecedents to relational empowerment were hypothesised to increase levels of relational empowerment in the low power distance culture compared to the high power distance culture in the two indigenous samples. However this was only substantiated by the effects of training. Rewarding employees and sharing information with them seemed to have the opposite effect, where relational empowerment levels only increased in the high power distance culture. A plausible explanation for information sharing increasing relational empowerment levels amongst the Indian employees is that they may have perceived this openness of information as

an indication of increased trust from their managers. Further, in societies such as India, knowing information that is generally constrained by hierarchy may provide credentials that are important in conveying status. Similarly this could be the case with rewards too. India is a growing economy and due to its dense population, very competitive. Thus receiving rewards for the ability to satisfy customers well could help an employee to stand out at their level and they may translate this into good repute.

However, the unexpected effects of information sharing and rewards on relational empowerment levels in the Indian sample could also be due to reasons noted earlier. India is a transition economy which is facing rapid transformations and therefore the expected results were not obtained. If a country higher on the power distance index such as Malaysia or Mexico (Hofstede, 1991) was chosen the effects postulated may have been found.

Furthermore, three other relationships that were not moderated by power distance in the service model presented, produced unexpected results. These relationships were all linked to three precursors of job satisfaction: psychological empowerment, role conflict and self efficacy. Psychological empowerment and self efficacy were postulated to increase job satisfaction levels and role conflict was postulated to decrease job satisfaction levels. However, psychological empowerment only increased job satisfaction in the UK indigenous sample and self efficacy only increased job satisfaction levels in the two multinational samples. Finally role conflict only decreased job satisfaction levels in the India multinational sample although it was approaching the 10% significance level in the UK multinational sample too.

The most plausible explanation for the effect of psychological empowerment on job satisfaction lies with the multidimensional nature of the psychological empowerment construct. It is possible that each dimension has a different effect on job satisfaction. For example Spreitzer *et al* (1997) found that the dimension of meaning had the most powerful association with job satisfaction and they suggest that in order to feel satisfied employees need to be energised by their work. Self-determination and competence were also related to job satisfaction but to a lesser extent (Spreitzer *et al*, 1997). However, due to significant cross-loadings whilst validating the psychological empowerment measure, the present study treated this construct as a unidimensional measure in an effort to retain the degree of 'felt' empowerment by the employees as suggested by Spreitzer (1995). A confirmatory factor analysis of this measure led to the deletion of a further eight items[38] resulting in one item per dimension. Thus it was not possible to test whether a particular dimension of psychological empowerment had a stronger or weaker effect on job satisfaction in the present study.

Although role conflict has been extensively reported to be an important determinant of job satisfaction in previous literature (Sumrall & Sebastianelli, 1999; Boles & Babin, 1996; Gregson & Wendell, 1994; Igbaria & Guimares, 1993; Chebat & Kollias, 2000; Hartline & Ferrell, 1996), this was only found to be true in the India multinational sample. A possible explanation is that employees may have learnt to cope with the conflict they experience and therefore it had no effect on their job satisfaction levels. Further, this relationship may not be direct. There may be another factor other such as emotional stress (Bedeian & Armenakis, 1981) or a coping mechanism such as job-related communication that may partially mediate the relationship between role

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[38] Refer to the limitations section

conflict and job satisfaction. In support of the present findings, Gregson & Wendell (1994) and Hartline & Ferrell (1996) all report that role conflict has a less prominent effect on job satisfaction than role ambiguity and self-efficacy.

Similarly self-efficacy was not found to increase job satisfaction levels in all four samples. The expected result was only found in the two multinational samples. This could be due to organisational factors as the same result was found for employees belonging to two subsidiaries of the same multinational bank. Secondly as self-efficacy is essentially the same as the competence dimension of the psychological empowerment it could be possible that competence and indeed self-efficacy alone are not strongly associated with job satisfaction after all. Thomas & Tymon (1994) and Siegall & Gardner (2000) also found that there was no link between competence and job satisfaction. This seems possible as just because an employee believes that they have the ability to perform a job-related task does not necessarily mean that they will automatically become satisfied, e.g. completing the actual task may effect job satisfaction more than the actual belief of being able to complete it.

The remaining two relationships common to both groups of data were supported in all four samples. In other words psychological empowerment led to increases in self-efficacy and job satisfaction led to increases in customer orientation. These results support the original postulation that these two relationships are not moderated by power distance.

The following sections will discuss the findings of the individual relationships in more depth. However, to increase simplicity and ease of understanding the results will be

discussed in two sub-sections, i.e. first the results of the multi-group analysis will be discussed followed by the results of the two multinational samples. This is primarily due to the lack of measurement invariance in the two multinational samples and thus only tentative comparisons and conclusions regarding these two samples will be made.

6.2.1   Implications Resulting from the Multigroup Analysis

Training, Rewards & Information Sharing as Antecedents of Relational Empowerment
The most significant differences were seen between these three relationships across both cultures, suggesting that international service managers need to pay attention to how they implement empowerment. It was expected that training would increase levels of relational empowerment in low power distance cultures. This was confirmed amongst the UK employees and is not surprising as employees from low power distance cultures have the desire to learn and improve themselves so that they can progress in their careers (Hoecklin, 1995). Furthermore, training is quite common in the UK as employees are generally encouraged to acquire a broad set of skills and experience to increase their adaptability (Schneider & Barsoux, 2003).

On the other hand, training had a negative effect[39] on relational empowerment levels among the Indian employees. This is surprising as the sample of Indian employees were well-educated and as a result of this they should have been easier to train as high levels of education relate to the ability to adapt to situations when necessary (Bartlett *et al*, 2002). However, on the contrary employees from high power distance cultures

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[39] Approaching the 10% level

are generally resistant to change (Nicholls *et al*, 1999) and so it may take considerable time to implement a training programme for empowerment.

Additionally, although training programmes help facilitate information sharing to develop new skills they also help to promote uniform values and behaviours (Derr *et al*, 2002), which again high power distance cultures would resist as they are accustomed to hierarchy. Furthermore training Asian employees in groups may not be very effective as this opens up the potential for disagreements and conflict and risks leaving them feeling belittled (Schneider & Barsoux, 2003). Asian employees also do not like to learn from one another, they prefer to be taught by someone in a position of authority (Hofstede, 2001; Schneider & Barsoux, 2003) thus training such employees using group exercises will not be very effective.

These are very important points for international service managers to consider when implementing empowerment. The full effects of empowerment will not be gained if appropriate training is not given (Bowen & Lawler, 1992; Gandz & Bird, 1996), and the lack of training may translate into low self-confidence and self-esteem (Nicholls *et al*, 1999). Hence it is very important for managers to gain an understanding of which training methods are most effective in the culture they want to implement empowerment in (Schneider & Barsoux, 2003).

The focal reason rewards are offered in the workplace is to help co-align the employee interests with those of the organisation (Melhem, 2004). In other words, the thought of being rewarded helps employees work in the best interests of the company and do their best to help customers and solve problems (Hart *et al*, 1990). The effect of rewards on

relational empowerment was expected to increase empowerment levels in low power distance cultures, however this was not confirmed amongst the UK employees (although it was approaching the 20% significance level). Instead the Indian employees experienced high relational empowerment levels once rewarded. This suggests that being rewarded for serving their customers well was highly valued amongst the Indian employees but not amongst the UK employees. A major reason for this could be that in traditional hierarchical systems an employees pay reflects the type of work they do (Miles & Creed, 1995), so the higher the pay the more important the job. In contrast, the UK employees may feel that the rewards offered do not influence their capabilities and the degree of empowerment they experience (Melhem, 2004). Thus, rewards may satisfy the UK employees as they are receiving recognition for their work but they do not appear to help employees take control of the varying demands of customers and increase empowerment levels.

Another reason for this unexpected result could be attributed to the cultural preference for receiving financial or non-financial rewards (Schneider & Baroux, 2003). The results suggest that the UK employees many need more than just monetary rewards. They may need intrinsic rewards such as public reward ceremonies and public praise to give them recognition within their organisation as this will help them to advance their careers faster. As the type of reward was not specified in the survey, it is difficult to know whether the employees responded appropriately to these items. Thus, international service managers should recognise the possibility that rewards, extrinsic and intrinsic, may only provide an important means for motivating employees and not necessarily affect their empowerment levels. However, logically there should be a link between reward schemes and empowerment as empowerment undoubtedly involves an

increased amount of responsibility for employees, and if the employee is not receiving recognition or being awarded for this, they may lose the motivation to honour that responsibility (Melhem, 2004).

An increase in information sharing was hypothesised to increase relational empowerment levels in low power distance cultures as being 'open' with information is considered a cultural norm in such cultures (Hofstede, 2001). However, this result was not confirmed in the UK sample but it was unexpectedly confirmed in the India sample. This may be because the Indian employees relied heavily on information sharing to exercise empowerment as they are less used to such a practice, even though to share information violates their cultural norm.

Additionally, as India is a traditionally collectivist society employees would be more inclined to help their colleagues and share their experiences and so disseminate information freely (Hofstede, 1980). In other words, it may be horizontal communication rather than vertical communication which increased relational empowerment levels amongst employees in the Indian sample. Conversely, the UK is an individualistic society and as a result may be less inclined to share their experiences, i.e. if a UK employee finds methods of satisfying their customers they may not want to share this with their colleagues, as they are more competitive in nature and want to perform better than their peers (Hofstede, 2001). Consequently, information sharing led to no changes in relational empowerment levels amongst the UK employees.

These three relationships suggest some important implications for service managers. Primarily managers need to develop implementation programmes specifically for the culture they intend to adopt empowerment in, as there are obvious cultural preferences concerning the effective uptake of relational empowerment. Further it is important for managers to understand that even within similar cultures empowerment may be hard to implement as although managers love empowerment in theory it is hard for them to share authority as the command-and-control model is what they trust and are more familiar with (Argyris, 1998). Although this is true for managers from any culture, managers who come from a hierarchical management structure would find it harder still. Thus, appropriate implementation programmes appear to be vital for the success of relational empowerment.

Job Satisfaction, Psychological Empowerment & Role Conflict as Causes of Relational Empowerment

Whilst it was expected for relational empowerment to increase job satisfaction levels amongst the UK employees it was somewhat surprising to find that the same occurred amongst the Indian employees due to the inherent beliefs associated with a high power distance culture. Nonetheless the difference in magnitude obtained from the two samples does indicate that a higher level of job satisfaction was experienced amongst the UK employees, which is in accordance with previous theory. However, because higher levels of job satisfaction were exhibited among both the UK and Indian employees, this suggests that empowerment was perceived similarly by employees from both samples.

Although to an extent, this indicates that a management practice such as relational empowerment may be transferred across cultures to produce similar benefits, caution still needs to be taken by international service managers when planning to adopt empowerment. This is because there are other countries which score higher than India on the power distance index such as Indonesia, Mexico and Malaysia (Hofstede, 2001) and they may be completely opposed to the idea of being empowered. Additionally it should be noted that the recent economic and political changes in India have led to the strengthening of democratic processes (Kapur & Ramamurti, 2001), which may be a valid reason as to why relational empowerment was perceived acceptable amongst the Indian employees, resulting in job satisfaction.

Another reason why relational empowerment may have been perceived as acceptable by the Indian employees is possibly due to their higher levels of education compared with their British counterparts. Hofstede (2001) reports that employees from higher power distance countries are more likely to spend more years in formal education than those in lower power distance countries but also that lower power distance countries tend to have higher literacy rates and consequently produce smaller power distance values. Where it is true that the UK has a higher literacy rate overall compared to India[40], the sample of Indian employees obtained shows that 55% were graduates and 39% were postgraduates, whereas only 33% of UK employees were graduates and only 3% postgraduates. This suggests that due to their higher levels of education the power distance values of the Indian employees were smaller and hence they may have been more accepting of relational empowerment.

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[40] It is compulsory in the UK to be in education until 16 years of age, whereas India has no legislation regarding minimum standards of education

Additionally, working in a bank is perceived to be a higher-status occupation in India, and this combined with levels of higher education tends to produce smaller power distance values (Hofstede, 2001). Thus, the employees from the Indian sample were more likely to be accepting of relational empowerment. Consequently, international service managers need to consider other factors (e.g. recent political changes, education levels, perception of occupation status) before adopting the empowerment approach in high power distance cultures. For example, empowering front-line retail staff may not provide any benefits as it is perceived to be a lower-status job than working in a bank. Therefore, international service managers should still exercise caution when adopting relational empowerment in high power distance cultures as the dominant values from this culture are 'generally' incompatible with such a management practice.

Similarly it was expected that relational empowerment would lead to increasing levels of psychological empowerment in low power distance cultures, as the practice of psychological empowerment deviates from the hierarchical management structure prevalent in high power distance cultures. However, again the relationship between relational empowerment and psychological empowerment did not appear to be moderated by power distance as very similar results were obtained from both cultures, both in terms of magnitude and significance. Likewise the reasons for this are likely to be the fact that the Indian employees perceived relational empowerment more positively than otherwise assumed.

Existing literature indicates that managers cannot induce psychological empowerment they can only create an environment where employees feel they have more freedom

and discretion so they can create psychological reactions to these conditions (Conger & Kanungo, 1988; Bowen & Lawler, 1992; Laschinger *et al*, 2004). Thus, if an employee accepts relational empowerment positively they should automatically feel psychologically empowered. The results obtained from this hypothesis almost reinforce the previous discussion that the Indian employees viewed relational empowerment as constructive and helpful. This led them to experience high levels of psychological empowerment similar to the UK employees. If on the other hand, the Indian employees had rejected relational empowerment and considered it a violation to their values and beliefs, they would be less likely to become more enthusiastic about their jobs and experience increasing levels of psychological empowerment. This finding is of importance to service managers who would like to psychologically empower their front-line employees, as it indicates that providing an employee accepts relational empowerment, regardless of their culture, they will become more enthusiastic and feel better about their jobs.

It was also expected that relational empowerment would lead to a higher decrease in role conflict in low power distance cultures compared to high power distance cultures. However, the results from the present study suggest that relational empowerment gives rise to conflict arising between managers' and customers' demands as employees try and balance the multiple demands put upon them by managers and customer alike, resulting in an increase in role conflict across both cultures. Thus, this relationship does not appear to be moderated by power distance. This is consistent with the work of Peterson *et al* (1995) who report that role conflict and power distance are not correlated.

Although this finding was completely unexpected due to a general consensus in literature supporting the positive effect of relational empowerment on role conflict, it can be explained by a combination of the nature of a service setting and that of a front-line employee. The service industry tends to focus on customer supremacy which does not give front-line employees the choice of exercising their power if the customer is wrong and this could lead to role conflict, i.e. the prevailing philosophy of 'the customer is always right' could leave many front-line employees feeling powerless (Lloyd & Ogbonna, 2000). As customer expectations cannot be pre-specified, the front-line employee has to act according to the customer's needs, rather than their own (Lloyd & Ogbonna, 2000) which can become frustrating for the employee as they are trying to sustain a balance in their role demands (Hartline & Ferrell, 1996). Thus, empowering an employee may be more beneficial for the customer rather than the employee (Halliday, 2002), suggesting that relational empowerment does not have a direct relationship with role conflict.

Overall the findings from these three relationships suggest that the effect of relational empowerment is perceived similarly across cultures, as they failed to confirm the moderating effect of power distance. Nonetheless, for reasons stated previously service managers (both local and international) need to carefully consider adopting this type of programme and familiarise themselves with the local culture in which they are going to work as these relationships may not be true in cultures which vary more significantly on the power distance index. Furthermore, if relational empowerment is not accepted by employees than it could have counterproductive effects, thus the most emphasis should be placed on its implementation, e.g. structural changes in the organisation.

Job Satisfaction as a Cause of Psychological Empowerment

Psychological empowerment was hypothesised to increase job satisfaction levels across both cultures as literature suggests that psychological empowerment is not culturally bound (Hui *et al*, 2004). Logic suggests that as employees intrinsic motivation levels increase they will be more enthusiastic about doing their job well and consequently become more satisfied with their performance. However, this relationship was only supported amongst the UK employees (at the 10% significance level). As noted previously, the most plausible reason for this unexpected result could be due to the multidimensional nature of the psychological empowerment construct. Whilst testing the relationship between empowerment and job satisfaction, Hui *et al* (2004) only used the sub-scale of self-determination to measure empowerment and found support for this relationship. This suggests that each dimension may have less or more significant association with job satisfaction.

Fulford & Enz (1995) suggest that meaningfulness is the most critical dimension of psychological empowerment when explaining affective outcomes. This is also supported by Spreitzer *et al* (1997) who report that although the meaning, self-determination and competence dimensions of psychological empowerment are linked to job satisfaction, the most powerful association was with meaning. Liden *et al* (2000) report that when an employee feels they can influence organisational outcomes, they tend to feel more involved and therefore feel more satisfied with their job. Thus they argue that the impact dimension is related to job satisfaction. In terms of the competence dimension of psychological empowerment, many researchers report that this has no link with job satisfaction (Thomas & Tymon 1994; Siegall & Gardner 2000; Holdsworth & Cartwright, 2003). Fulford & Enz (1995) also report that this

dimension is the least likely to effect work outcomes in the service industry. However, there is some support shown for the link between competence and job satisfaction (Spreitzer *et al*, 1997; Liden *et al*, 2000).

However, rigorous analysis of the psychological empowerment measure in the present study implied that this construct was a unidimensional measure due to significant cross-loadings and high correlations between the items, indicating conceptual overlap rather than distinction[41]. Therefore it was not possible to investigate the individual effects of each dimension with job satisfaction.

Another possible reason for the unexpected result regarding the relationship between psychological empowerment and job satisfaction could be that culture may moderate the individual dimensions of psychological empowerment. This is somewhat supported by Hui *et al* (2004) as they confirmed the moderating effect of power distance on the relationship between empowerment and job satisfaction where empowerment was measured using the sub-scale of self-determination from Spreitzer's (1995) psychological empowerment scale. Conversely, in a similar study Eylon & Au (1999) found that power distance did not moderate the relationship between empowerment and job satisfaction, where empowerment was measured as a relational construct. This indicates that culture may indeed moderate the relationship between the individual dimensions of psychological empowerment and job satisfaction.

Additionally, Hofstede (2001) shows some support for this by reporting results from a study investigating the self-efficacy of West and East Berlin schoolchildren. He

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[41] Refer to Section 4.3.1 and limitations for further discussion

explains that West Berlin children showed higher levels of self-efficacy which was attributed to their weaker uncertainty avoidance and stronger individualism compared with East Berlin children who exhibited low self-efficacy. As one of the dimensions of psychological empowerment refers to self-efficacy (i.e. competence) it is possible that this dimension is moderated by uncertainty avoidance and individualism. This makes further logical sense when looking at how the UK and India score on these two cultural dimensions. India is relatively weak in uncertainty avoidance and is a collectivist country whereas the UK is weaker in uncertainty avoidance and is a strong individualistic country. As the general belief of researchers (e.g. Conger & Kanungo, 1988; Chebat & Kollias, 2000) is that self-efficacy causes job satisfaction it is possible that it was a feeling of competence that caused the increasing levels of job satisfaction amongst the UK employees.

Nonetheless, the results from the present study have some important implications for managers. It seems that psychological empowerment is not as useful as relational empowerment as although it leads to significantly high levels of self-efficacy across both cultures it does not lead to increasing job satisfaction levels across both cultures (and even though it does in the UK the significance and magnitude of the effect is relatively low). It is therefore advisable for managers to focus on implementing relational empowerment rather than trying to create a state of psychological well-being for their employees as it does not appear to have a substantial effect on job satisfaction. These results also indicate that indeed some of the conflicting views reported in literature were due to the different conceptualisations of empowerment used.

Role Conflict & Self-Efficacy as Predictors of Job Satisfaction

Self-efficacy was hypothesised to increase job satisfaction levels amongst employees from both cultures. However, the results do not support the finding of a direct relationship between self-efficacy and job satisfaction. It was expected that self-efficacy would lead to increasing levels of job satisfaction across both cultures as employees who feel better about themselves tend to feel happier and thus more satisfied. However, this relationship was not confirmed in either sample. Spreitzer *et al* (1997) support this finding as they report that literature detailing the direct effect between self-efficacy and job satisfaction is sparse. Instead, many researchers report a direct relationship between self-efficacy and performance indicators (Bandura, 1986; Locke, 1991; Gist & Mitchell, 1992) which also makes logical sense because if an employee believes they can do something this is likely to reflect more in their performance than their satisfaction levels.

Furthermore, although not significant, there was an indication that self-efficacy was negatively related to job satisfaction, consistent with Hartline & Ferrell (1996) across both cultures. Hartline & Ferrell (1996) suggest that as employees become highly self-efficacious they may want to perform tasks that are beyond the scope of their role as front-line employees to satisfy themselves. In other words, highly self-efficacious employees desire upward mobility but as a front-line employee this is rarely possible.

Consistent with previous research (Schneider, 1980; Shamir, 1980; Sumrall and Sebastianelli, 1999; Boles and Babin, 1996; Gregson and Wendell, 1994; Igbaria and Guimares, 1993; Chebat and Kollias, 2000; Hartline and Ferrell, 1996) role conflict was hypothesised to decrease job satisfaction levels amongst employees. However, no support was found for this relationship. This result indicates that employees may learn

to cope with the various demands put upon them and accept this role as normal. Consequently they are more able to treat each task independently and deal with them to the best of their ability.

This result combined with the non-significant result from the previous hypothesis (i.e. self-efficacy increases job satisfaction levels) indicates the possibility that self-efficacy may act as more of a coping mechanism against role stressors or job-related strain. For example, self-efficacy may have counteracted the effects of role conflict, thus role conflict did not reduce job satisfaction levels. Hartline & Ferrell (1996) support this as they report that increases of self-efficacy enables employees to cope better with role conflict.

Hartline & Ferrell (1996) also suggest that there is not a direct relationship between role conflict and job satisfaction *per se*. A further role stressor such as role ambiguity may influence the relationship of role conflict on job satisfaction (Hartline & Ferrell, 1996). Role ambiguity has been reported to have a more prominent effect on job satisfaction levels than role conflict (Gregson & Wendell, 1994; Hartline & Ferrell, 1996), as role ambiguity is positively related to role conflict and negatively related to job satisfaction. It therefore follows that the assertion made by Hartline & Ferrell (1996) warrants further consideration, i.e. role conflict leads to role ambiguity which effects job satisfaction.

These conflicting results definitely warrant further attention. Furthermore, the findings reported have some important implications for managers too. It seems that psychological empowerment is not as useful as relational empowerment as although it

leads to significantly high levels of self-efficacy across both cultures it does not lead to increasing job satisfaction levels across both cultures (and even though it does in the UK the significance and magnitude of the effect is relatively low). It is therefore advisable for managers to focus on implementing relational empowerment rather than trying to create a state of psychological well-being for their employees as it does not appear to have a substantial effect on job satisfaction. These results also indicate that indeed some of the conflicting views reported in literature were due to the different conceptualisations of empowerment used.

6.2.2   Implications Resulting from the Multinational Samples

Although the findings cannot strictly be compared due to the lack of measurement invariance it is interesting to note that only one relationship differs significantly between the two samples. More specifically, the relationship between relational empowerment and job satisfaction was insignificant in the UK sample whereas it was highly significant in the India sample. Additionally the relationship between role conflict and job satisfaction was approaching a 10% significance level in the UK sample but again was highly significant in the India sample, indicating that role conflict leads to increases in job satisfaction. The remaining relationships were all confirmed as hypothesised and have been discussed in the previous section, so will not be repeated here.

Without considering measurement invariance, a reasonable explanation for the similarities in the results produced across both cultures could be because the multinational organisation successfully managed to engage in an organisational change

programme to meet and maintain its service quality standards across its subsidiaries (Venard, 2002). In other words the organisation acted on the principle of applying international norms and company internal policies despite major inertial factors within local subsidiaries, such as an employee's resistance to change (Venard, 2002).

However, the inability to compare the findings, suggests important implications for service managers. Firstly, the fact that the employees interpreted the items differently implies that they perceive empowerment and its related antecedents and consequences differently. This indicates that a management practice such as relational empowerment cannot simply be transferred across cultures even if the organisational culture is similar or the same. In other words multinational service mangers need to consider cultural factors as well as other environmental or organisational factors before implementing relational empowerment in their subsidiaries.

Secondly, it is possible that due to the organisation's culture, employees across both subsidiaries provided socially desirable responses. Although, every effort was made to guarantee anonymity, the fact that some branch managers asked to see the results from the study could have increased the possibility of employees answering how they thought they were expected to. This could explain why the majority of hypotheses were supported in the Indian sample, despite their inherent values and beliefs. Simply put, the Indian employees may have tried to portray what they thought a multinational organisation such as the one they worked for wanted. However on the other hand, it is important to consider the fact that the levels of education were much higher amongst the Indian employees and this could have lowered their power distance values (Hofstede, 2001) making them more receptive of relational empowerment and

increased information sharing and reward schemes and thus supporting many of the hypotheses thought to be moderated by power distance.

Multinational managers also need to consider who manages their staff as this will have a definite impact on management practices. For example, instead of sending an expatriate to a foreign subsidiary who will have his/her own cultural values, multinational managers should employ well-trained nationals who are familiar with the working culture and national culture of the host country. This will ensure some congruence between manager and employee expectations and may lead to more effective communications between them, which could be an important precursor to relational empowerment.

6.3   Contribution of Study

The primary contribution of the study is that the service model developed holds across both countries using existing measures. Thus it was possible to make comparisons and form valid inferences regarding the effects of relational and psychological empowerment[42] across two disparate cultures. The results provide support for the contention that relational empowerment is perceived similarly across different cultures. However, they also indicate that relational empowerment cannot be implemented in the same way across different cultures. Simply put, the results imply that relational empowerment is perceived in a similar fashion but is not received in a similar fashion

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[42] An extensive review of the literature identified that empowerment existed as two separate constructs: relational empowerment and psychological empowerment and thus needed to be tested separately. Refer to Section 2.2. This addresses objective one of the present study.

across different cultures. Thus, this study exemplifies the diverse impact of empowerment on service employees under the influence of different cultural values.

Secondly, the scope of the study becomes a key contribution. Never before has an empirical study investigated the simultaneous effects of relational empowerment and psychological empowerment on job satisfaction and/or customer orientation. As noted previously, this area of research is of increasing importance due to the growing use of empowerment as a management practice despite the conflicting effects of empowerment reported in management, marketing and psychology literature (e.g. Hartline & Ferrell, 1996; Argyris, 1998; Chebat & Kollias, 2000; Hartline *et al*, 2000). The results obtained from the study indicate that relational empowerment is more beneficial for service managers to implement rather than creating a state of psychological well-being for their employees. This is because contrary to original belief relational empowerment leads to increasing job satisfaction levels, whereas psychological empowerment does not have such a strong relationship with job satisfaction. As all four samples support the contention that job satisfaction leads to higher levels of customer orientation it is obviously more desirable for service managers to empower their staff through managerial practices rather than motivational processes. Thus, this study contributes to the advancement of management of front-line service employees.

Thirdly the present study also makes methodological contributions. Although the use of SEM has grown in popularity in the psychology and social science literature (Anderson & Gerbing, 1988) it was chosen in this study for more significant reasons, namely measurement invariance. This is a key issue that has been highlighted by

many cross-cultural researchers to ensure that data have the same meaning across countries when making international comparisons (see for example Steenkamp & Baumgartner, 1998; Byrne & Campbell, 1999; Vandenberg & Lance, 2000; van Herk *et al*, 2005). Despite this pressing issue Steenkamp & Baumgartner (1998) report that many cross-cultural studies disregard this concern. They suggest that this may be for various reasons including the numerous types of measurement invariance noted in literature and the "lack of agreed-upon terminology to refer to the different kinds of measurement equivalence". A further reason for this disregard is that there remains a lot of confusion with respect to the proposed procedure for assessing measurement invariance (Vandenberg & Lance, 2000). However, this study successfully achieved partial measurement invariance using the procedure recommended by Steenkamp & Baumgartner (1998) which is the most widely used procedure in marketing (see for example Cadogan *et* al, 2001; van Herk *et al*, 2005). Thus, the partial measurement invariance obtained in this study allowed valid comparisons to be made between the data of the two countries.

Most importantly the study provides support for the belief that some aspects of organisational behaviour are consistent across cultures (e.g. the similar perception of relational empowerment) rather than completely culture dependent (e.g. the implementation of relational empowerment). Had the antecedents to relational empowerment not been culturally moderated the striking differences between the two samples may have gone unnoticed.

The sampling frame adds a further methodological contribution to this study. Although banks was a popular choice of sampling frame for previous empowerment

studies (see for example Hartline & Ferrell, 1996; Chebat & Kollias, 2000) this study is the first of its kind to collect and compare data from (two) indigenous and (one) multinational bank(s) from two countries. Unfortunately, partial measurement invariance was only found in the indigenous bank sample, whereas no measurement invariance was found in the multinational sample. This lack of measurement invariance failed to address the fourth objective of the study as comparisons relating to cultural differences between the two samples could not be made. Thus, it is impossible to conclude whether multinational organisations operate according to their organisation's culture or their host country's culture.

Finally two noteworthy relationships contribute to the existing empowerment literature. The first is the relationship between relational empowerment and psychological empowerment. This study indicates that the presence of relational empowerment increases psychological empowerment levels. Thus the correct implementation of relational empowerment may induce a state of psychological well-being in front-line employees providing further benefits such as increased self-efficacy. Additionally the relationship between relational empowerment and role conflict is clarified. This study suggests that increasing relational empowerment levels increases role conflict levels. However, the results also suggest that an employee's psychological well-being may buffer this negative effect so that employees can cope better with role stress and consequently not affect job satisfaction levels.

6.4   Managerial Implications

Although empowerment appears to be perceived similarly by employees from both cultures the results of the present study present caution for managers as they indicate that national culture has a significant effect on the implementation of empowerment. Simply put, the results corroborate that empowerment cannot be implemented in the same way across cultures as the results of the study show that variation existed between the antecedents of relational empowerment across both cultures. For example, training increased relational empowerment levels in the UK whereas it decreased levels of relational empowerment in India. Further, rewards and information sharing increased relational empowerment levels in India but had no effect in the UK. These results suggest that managers need to think of ways of effectively implementing and maintaining relational empowerment levels (Bowen & Lawler, 1992) across different cultures and this may be better achieved during a rigorous recruitment process.

For example, when recruiting front-line employees managers need to check if the candidate possesses the right skills, knowledge and orientation for the job (Bowen & Lawler, 1992; Melhem, 2004; Donovan *et al*, 2004). Possessing the right skills is necessary because "without the right skills, it is impossible for individuals to participate in the business and influence its direction" (Bowen & Lawler, 1992). Additionally a front-line employee who is customer oriented to begin with (i.e. has a desire to serve the customer to the best of their ability) will use empowerment to the advantage of the service delivery process (Donovan *et al*, 2004). Managers should also ensure that their front-line staff have all the resources they need to fulfil customer

demands (Donovan *et* al, 2004) so that the benefit of making spontaneous decisions can be gained.

In order to maintain empowerment levels managers need to help their employees to identify with the company (d'Iribarne, 2002). If employees feel that they belong with the company they instinctively want the company to progress and prosper and so they are more willing to share responsibility with managers. Consequently, this can build up trust between manager and subordinate and also lead to higher levels of orientation and commitment.

Where unequal power distribution exists in organisations as 'the norm' it seems logical that front-line service employees may be averse to the idea of possessing some amount of power to carry out their job tasks and responsibilities. Thus, exercising empowerment practices with such employees may have little or no impact on their job satisfaction levels. Worse still lower job satisfaction levels may result (Hartline & Ferrell, 1996) which could ultimately facilitate through the service delivery process (Heskett *et al*, 1994). Such circumstances deem other more appropriate management practices which encompass methods of promoting job satisfaction levels, e.g. building trust between manager and subordinate or restructuring the organisation to 'flatten' the hierarchy slightly (Hui *et al*, 2004).

Further, this study realises that the individual dimensions of psychological empowerment may also be culturally bound as psychological empowerment only increased job satisfaction levels in the UK, and was insignificant in India. Although, psychological empowerment may not be moderated by power distance, it is possible

that other cultural dimensions such as strong uncertainty avoidance and collectivist values moderate the effect of individual dimensions such as competence (Hofstede, 2001).

However, managers also need to be aware that solely creating a state of psychological well-being for their employees is not enough to increase levels of satisfaction. There is a general consensus in literature (see for example Conger & Kanungo, 1988; Thomas & Velthouse, 1990) that psychological empowerment increases self efficacy levels amongst employees and this was further supported across both cultures in this study. It seems reasonable to assume that if an employee is highly self-efficacious then he/she will be more likely to serve customers effectively and hence be satisfied with their job. However, it is possible that self-efficacious front-line employees may be less satisfied with their jobs because their desire to do well and progress does not match the characteristics of the front-line position (Hartline & Ferrell, 1996). Thus, although self-efficacious employees are desirable, managers need to ensure that their employees will also be satisfied with a front-line position (Hartline & Ferrell, 1996). Once this is achieved managers need to be able to maintain a certain level of self-efficacy amongst their front-line employees so that they can try and achieve job satisfaction.

Finally as a result of this study multinational managers should take heed when exercising empowerment in their foreign counterparts. Again the results suggest that managerial practices should not simply be transferred across cultures even if the organisational culture is similar. This is because measurement invariance was not

obtained between the two multinational samples indicating that some of the items in the questionnaire held a different meaning for employees across both cultures.

The findings suggest that managers may not have considered national culture, but instead assumed that the organisation's culture would be sufficient to empower the front-line employees. However, managers need to recognise that foreign counterparts of a multinational firm are likely to possess the cultural values of the country it is operating in, due to the native staff they employ (Nakata & Sivakumar, 2001) and not the values of the organisation, so implementation programmes need to be developed according to the national culture not the organisation's culture (Leung *et al*, 2005). This may be especially true for countries which score higher than India on the power distance index.

6.5   Study Limitations & Directions for Future Research

One limitation of the study is that the two countries sampled were chosen based only on their power distance scores. However, power distance is the most significant cultural factor that can influence relational empowerment across different cultures (Hofstede, 1980, 2001; Eylon & Au, 1999; Hui *et al*, 2004). Thus, this study suggests that it is differences in power distance rather than culture *per se* that influenced empowerment. Secondly a range of items relating to power distance could have been included in the questionnaire to confirm that the cultural values and beliefs of the employees are the same as originally thought. This may be especially necessary in a developing country such as India which has faced a great deal of internationalisation in the recent decade.

Future research in this area could also consider the implications of other cultural values (e.g. Hofstede, 1991; Schwartz, 1994; House *et al*, 2004) and not restrict the research to one dimension of culture. Bearing this in mind, other countries could be included to increase generalisability of the effects of empowerment between similar and dissimilar cultures. For example, countries that are not hugely different on the power distance index could be studied, such as a country with an intermediate power distance score like Portugal or Greece (Hofstede, 2001) to see how the effects of empowerment differed.

Another limitation of the study is that many of the measures used were adapted from various sources to suit a service setting. Although great care was taken to use measures consistent with previous service research, this could have been a key reason why so many items needed to be deleted following a confirmatory factor analysis. This is particularly true for the psychological empowerment measure. Although this measure had been used successfully in previous studies (see for example, Hui *et al*, 2004; Spreitzer, 1996; Koberg *et al*, 1999, Siebert *et al*, 2004; Holdsworth & Cartwright, 2003), factor analysis in the present study could not discriminate between the four dimensions indicating conceptual overlap and the consequential deletion of many items.

In her seminal work of developing and validating a multidimensional measure for psychological empowerment Spreitzer (1995) reported limited discriminant validity of the measure across her two samples (i.e. one industrial and one insurance sample). In an attempt to test the validity of Spreitzer's empowerment measure Kraimer *et al* (1999) collected data from non-managerial employees in a hospital setting. However,

although they showed support for the measure they also reported limited discriminant validity with higher correlations between the self-determination and impact dimensions. Nonetheless, numerous studies have found the items of this measure highly reliable and have validated its four dimensions since, but few researchers continue to suggest discrepancies regarding the number of dimensions (Fulford & Enz, 1995; Corsun & Enz, 1999; Eylon & Bamberger, 2000). This implies that continued refinement of this measure is still necessary.

In addition to the psychological empowerment measure, many items from the job satisfaction measure also needed to be deleted. However, this could be due to the fact that the Churchill *et al* (1974) measure is relatively old and thus would not have been subjected to such a rigorous analysis as in the present study. However the resulting items demonstrated good reliability and validity, implying that the amount of job satisfaction experienced by employees should not have changed in relation to the deletion of items.

A further limitation of the study was the use of cross-sectional research. Although cross-sectional research has certain benefits such as the removal of response bias it does not allow inferences of causality to be made. Hence, it is hard to say whether empowerment really does cause an increase in job satisfaction levels over time. A longitudinal study into the effects of empowerment may be warranted.

An important area of research is the development of a relational empowerment scale that can be grounded across different cultures, as the conceptualisation of relational empowerment still remains vague due to the many different definitions of

empowerment in literature. It is still unclear whether relational empowerment is a unidimensional or a multidimensional construct. Thus, rigorous qualitative analysis is warranted to generate an item pool not only from existing scales but also through interviews with relevant employees from different countries.

Another extremely important area for future research is for studies to focus on how to effectively implement relational empowerment and include contextual circumstances that would help or hinder the implementation process. This avenue of research could also include antecedents to relational and even psychological empowerment, i.e. what factors promote the acceptance and utilisation of empowerment? Managers should not just assume that employees will be passive recipients of empowerment (Quinn & Spreitzer, 1997). Although this study supports the contention that relational empowerment is perceived in a similar way across cultures, the way in which it is implemented is received completely differently. Therefore, an implementation strategy that is supportive, respectful and trusting of employees helps employees feel valued and appreciated and hence they may be more receptive of empowerment. Thus, factors such as trust and respect between employee and manager could be investigated.

Future research could also concentrate on developing a screening instrument for managers to use when recruiting front-line employees. This would help managers to identify potential candidates who would be best suited to a front-line position. Further, this screening instrument should help managers identify candidates who are the most customer oriented and who would be most willing to share authority. Such an instrument may also be used on existing front-line employees to see if they are suited

to their current position. If existing front-line employees are not suited to their position then this screening instrument may help to highlight why that is.

Furthermore, this study was limited because it could not explain the differences, if any, between empowerment and its effects in national and multinational organisations due to the lack of measurement invariance obtained in the multinational sample. Future research could include contextual factors such as the organisations climate to see if this has a moderating effect on empowerment in multinational organisations.

Lastly, this study is limited by its focus on a single industry setting (i.e. banks). This may raise concerns about generalisability across other service settings. However, owing to the scope of this study, constraining it to a single industry allowed the focus to remain on cultural differences rather than industry differences.

6.6   Conclusions

A cross-cultural study presupposes a multidisciplinary approach where all known factors should be accounted for and eligible for analysis (Hofstede, 1980). Thus, the present study referred to previous studies from the disciplines of marketing/international marketing, psychology, organisational behaviour, market research, management and economics.

Considerable research has examined how empowerment affects the attitudes and behaviours of employees. However, research has not examined how the different conceptualisations of empowerment may affect job behaviour, nor has it examined the

effect of the latter across cultures. The aim of the present study, therefore, was to identify the different conceptualisations of empowerment and to examine the impact of these on employee job behaviour and service outcomes in the banking industry, across two different cultures which varied significantly on the power distance index as identified by Hofstede (1980). The objectives of the present study were achieved using a quantitative approach where a questionnaire was designed and pre-tested across both cultures before data collected to test the model developed in chapter 2.

Consequently, this study showed that empowerment is a multi-faceted construct, i.e. comprising of relational and psychological empowerment, the effects of which depend on the different conceptualisations adopted by researchers. Hence, by focusing on a single aspect of empowerment conceptualisation, researchers will be unable to describe the divergence and effects of empowerment. Subsequently, the results of the study showed that relational empowerment is a more desirable practice to exercise with front-line employees as it increases job satisfaction levels which ultimately increases customer orientation levels. Psychological empowerment on the other hand, seems to have a more buffering effect on the possible negative effects of job related strain, rather than a direct relationship with job satisfaction.

Further, this study indicates that more attention needs to be paid to the implementation of empowerment across cultures rather than its actual effects. Thus, mangers need to consider cultural differences when implementing empowerment, in order to exploit and maximise its potential benefits as the acceptance and uptake of empowerment is important to gain its beneficial effects. However, although the structural modelling results largely favoured the implementation of relational empowerment, these results

should still be regarded as primarily exploratory and preliminary. Additional research is needed to gain a more complete understanding of the effects of relational and psychological empowerment on job behaviour across different cultures. The author hopes that the findings of the present study serve as an opportunity for future research to add to the body of existing empowerment literature.

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8 APPENDICES

8.1 APPENDIX 1 QUESTIONNAIRE DESIGN

8.1.1   APPENDIX 1.1 PRELIMINARY QUESTIONNAIRE

Aston Business School

Miss A. Sood
Aston Business School
Doctoral Programme
Marketing Group
Nelson Building
Birmingham, B4 7ET
Email: sooda1@aston.ac.uk

Dear Sir/Madam,

I would very much appreciate your help with a study that I am undertaking for my PhD at Aston Business School. The study is aimed at exploring the effects of empowerment on customer contact employees in the banking industry across two different countries.

As your answers are critical for my research, I would be extremely grateful if you could find the time to complete the attached questionnaire (approximately 15 minutes).   I am aware that this represents a demand on your busy schedule, but your participation could really make the difference between success and failure for the study.

Please note that your answers will remain fully confidential and at no time will you or your firm be identified in the analysis and after completion of this study all questionnaires will be destroyed.

If you have any queries, or wish to discuss this project in more detail, please feel free to contact me.   Thank you very much in advance for your co-operation. Your support is greatly appreciated.

Kind regards,

Aarti Sood

This study is being conducted by a PhD student from Aston Business School, (Birmingham, England) and is only intended to provide information for a research thesis. The survey is completely anonymous and cannot be used to identify you or your company. There are no right or wrong answers so please provide your honest opinion. **Please circle only one number for each statement.**

SECTION 1

A: Reflects your view of your superiors role in your job

Please use the following scale to answer the subsequent statements:

Never	Almost Never	Seldom	Occasionally	Often	Almost Always	Always
1	2	3	4	5	6	7

	Never						Always
My superior lets subordinates know what is expected of them in their jobs	1	2	3	4	5	6	7
My superior decides what shall be done and how it shall be done	1	2	3	4	5	6	7
My superior makes sure that his/her part in my job is understood	1	2	3	4	5	6	7
My superior schedules job-related tasks to be done	1	2	3	4	5	6	7
My superior maintains definite standards of performance	1	2	3	4	5	6	7
My superior asks that all subordinates follow standard rules and regulations	1	2	3	4	5	6	7
My superior explains the way any job-related task should be carried out	1	2	3	4	5	6	7
When faced with a problem, my superior consults with his/her subordinates	1	2	3	4	5	6	7
Before making decisions, my superior gives serious consideration to what his/her subordinates have to say	1	2	3	4	5	6	7
Before taking action my superior consults with his/her subordinates	1	2	3	4	5	6	7

B: Reflects your view of relevant training received to perform your job

Please use the following scale to answer the subsequent statements:

Strongly Disagree	Disagree	Slightly Disagree	Neither	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
I receive continued training to provide good service	1	2	3	4	5	6	7
I receive extensive customer service training before I come into contact with customers	1	2	3	4	5	6	7
I receive training on how to serve customers better	1	2	3	4	5	6	7
I am trained to deal with customer complaints	1	2	3	4	5	6	7
I receive training on dealing with customer problems	1	2	3	4	5	6	7
I receive training on how to deal with complaining customers	1	2	3	4	5	6	7

C: Reflects your view of information sharing in the company

	Strongly Disagree						Strongly Agree
The company provides information on what it wants to accomplish in the future	1	2	3	4	5	6	7
I am provided with financial records of the company	1	2	3	4	5	6	7
The company provides information on how its objectives are going to be achieved	1	2	3	4	5	6	7
The company does not have an efficient way to disseminate information to all levels of employees	1	2	3	4	5	6	7
The company publishes information on its reward structure	1	2	3	4	5	6	7
I don't have all the necessary information to serve customers	1	2	3	4	5	6	7
I am kept informed on what is going on in the company	1	2	3	4	5	6	7
I know how to get the necessary information to help customers	1	2	3	4	5	6	7
The company provides employees with sufficient information on its clients	1	2	3	4	5	6	7

D: Reflects your view of reward schemes in the company

	Strongly Disagree						Strongly Agree
If I improve the level of service I offer customers, I will be rewarded	1	2	3	4	5	6	7
The rewards I receive are based on customer evaluations of service	1	2	3	4	5	6	7
I am rewarded for serving customers well	1	2	3	4	5	6	7
I am rewarded for dealing effectively with customer problems	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
I am rewarded for satisfying complaining customers	1	2	3	4	5	6	7

SECTION 2

E: Reflects your view on how much independence you are given to perform your job

	Strongly Disagree						Strongly Agree
I am allowed to do almost anything to do a high quality job	1	2	3	4	5	6	7
I have a lot of responsibility in my job	1	2	3	4	5	6	7
I have the authority to correct problems when they occur	1	2	3	4	5	6	7
I am encouraged to use my initiative when dealing with job-related problems	1	2	3	4	5	6	7
I wish management would give me more authority	1	2	3	4	5	6	7
I have to go through many regulations to change things	1	2	3	4	5	6	7
I have a lot of control over how I do my job	1	2	3	4	5	6	7
I do not need management approval before I handle job-related problems	1	2	3	4	5	6	7
I am encouraged to handle job-related problems by myself	1	2	3	4	5	6	7
I am allowed to take charge of problems requiring immediate attention	1	2	3	4	5	6	7
I am able to make changes in my job when I deem appropriate	1	2	3	4	5	6	7
I would like a job allowing me more authority	1	2	3	4	5	6	7
I have to follow regulations closely in my job	1	2	3	4	5	6	7
I have complete freedom to perform job-related tasks	1	2	3	4	5	6	7
I am allowed to perform my job the way I think most appropriate	1	2	3	4	5	6	7
I am allowed to handle job-related tasks assigned to me	1	2	3	4	5	6	7
I am trusted to exercise good judgement in my job	1	2	3	4	5	6	7
The majority of the time I am left on my own to do my job	1	2	3	4	5	6	7
While performing my job function I am able to act independently of my superior	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
I control the pace of my work	1	2	3	4	5	6	7

F: Reflects your orientation towards your work

	Strongly Disagree						Strongly Agree
I am confident about my ability to do my job	1	2	3	4	5	6	7
The work that I do is important to me	1	2	3	4	5	6	7
I have significant autonomy in determining how I do my job	1	2	3	4	5	6	7
My impact on what happens in my department is large	1	2	3	4	5	6	7
My job activities are personally meaningful to me	1	2	3	4	5	6	7
I have a great deal of control over what happens in my department	1	2	3	4	5	6	7
I can decide on my own about how to go about doing my own work	1	2	3	4	5	6	7
I have the authority to make decisions at work	1	2	3	4	5	6	7
My job is well within the scope of my abilities	1	2	3	4	5	6	7
I have considerable opportunity for independence and freedom in how I do my job	1	2	3	4	5	6	7
I have mastered the skills necessary for my job	1	2	3	4	5	6	7
I can handle the challenges I face at work	1	2	3	4	5	6	7
The work I do is meaningful to me	1	2	3	4	5	6	7
I have significant influence over what happens in my department	1	2	3	4	5	6	7
I am self-assured about my capabilities to perform my work activities	1	2	3	4	5	6	7
I have the skills and abilities to do my job well	1	2	3	4	5	6	7

SECTION 3

G: Reflects your confidence levels

	Strongly Disagree						Strongly Agree
I do not anticipate any problems in adjusting to work in this company	1	2	3	4	5	6	7
I feel I am overqualified for the job I am doing	1	2	3	4	5	6	7

I have all the technical knowledge I need to deal with my job	1	2	3	4	5	6	7
I feel confident that my skills and abilities equal or exceed those of my colleagues	1	2	3	4	5	6	7
My past experiences and accomplishments increase my confidence that I will be able to perform successfully in my job	1	2	3	4	5	6	7
I could have handled a more challenging job than the one I am doing	1	2	3	4	5	6	7
Professionally speaking, my job exactly satisfies my expectations of myself	1	2	3	4	5	6	7

H: Reflects any uncertainties you may have

Please use the following scale to answer the subsequent statements:

Very False	False	Slightly False	Neither	Slightly True	True	Very True
1	2	3	4	5	6	7

	Very False						Very True
I feel certain about how much authority I have in my job	1	2	3	4	5	6	7
I have clear, planned goals and objectives for my job	1	2	3	4	5	6	7
I have to do things that should be done differently	1	2	3	4	5	6	7
I feel that I have divided my time properly to perform my job	1	2	3	4	5	6	7
I receive an assignment without the training needed to complete it	1	2	3	4	5	6	7
I know what my responsibilities are in my job	1	2	3	4	5	6	7
I have to bend a rule or policy in order to carry out my job	1	2	3	4	5	6	7
I work with two or more groups who operate quite differently	1	2	3	4	5	6	7
I know exactly what is expected of me in my job	1	2	3	4	5	6	7
I receive incompatible requests from two or more people whilst performing job-related tasks	1	2	3	4	5	6	7
I do things that are apt to be accepted by one person and not accepted by another	1	2	3	4	5	6	7
I receive an assignment without adequate resources and materials to execute it	1	2	3	4	5	6	7
I receive clear explanations of what has to be done	1	2	3	4	5	6	7
I work on unnecessary things in my job	1	2	3	4	5	6	7

SECTION 4

I: Reflects your view of your job-related tasks

Please use the following scale to answer the subsequent statements:

Strongly Disagree	Disagree	Slightly Disagree	Neither	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
My work is creative	1	2	3	4	5	6	7
My work is valuable	1	2	3	4	5	6	7
I have plenty of freedom on my job to use my own judgement	1	2	3	4	5	6	7
My job is exciting	1	2	3	4	5	6	7
My work is satisfying	1	2	3	4	5	6	7
I am really doing something worthwhile in my job	1	2	3	4	5	6	7
I am unproductive in my job	1	2	3	4	5	6	7
My work is useless	1	2	3	4	5	6	7
My job is interesting	1	2	3	4	5	6	7
My work is challenging	1	2	3	4	5	6	7
My job is often dull and monotonous	1	2	3	4	5	6	7
My work gives me a sense of accomplishment	1	2	3	4	5	6	7

SECTION 5

J: Reflects your view of the direction of the company

Please use the following scale to answer the subsequent statements:

Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent
1	2	3	4	5	6	7

	Not At All						To An Extreme Extent
I am always driven by customer satisfaction	1	2	3	4	5	6	7
I constantly monitor my level of orientation to ensure that I am serving customers' needs	1	2	3	4	5	6	7
I have a good understanding of my customers' needs	1	2	3	4	5	6	7
I believe that I create greater value for customers	1	2	3	4	5	6	7
I measure customer satisfaction frequently	1	2	3	4	5	6	7
I give close attention to after-sales service	1	2	3	4	5	6	7

K: Reflects your view of the company

Please use the following scale to answer the subsequent statements:

Strongly Disagree	Disagree	Slightly Disagree	Neither	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
I find that my values and the company's values are very similar	1	2	3	4	5	6	7
I really care about the future of this company	1	2	3	4	5	6	7
I am proud to tell others that I work for this company	1	2	3	4	5	6	7
I am willing to put a great deal of effort beyond that normally expected in order to help the company to be successful	1	2	3	4	5	6	7
For me, this is the best of all possible company's for which to work	1	2	3	4	5	6	7

SECTION 6

L: Reflect your views of society

	Strongly Disagree						Strongly Agree
Inequalities among people are both expected and desired	1	2	3	4	5	6	7
Less powerful people should be dependent on the more powerful	1	2	3	4	5	6	7
Inequalities among people should be minimised	1	2	3	4	5	6	7

	Strongly Disagree						Strongly Agree
Inequalities among people are both expected and desired	1	2	3	4	5	6	7
There should be, and there is to some extent, interdependencies between less and more powerful people	1	2	3	4	5	6	7
Everyone grows up to look after him/herself and his/her immediate family only	1	2	3	4	5	6	7
People are identified independently of the groups they belong to	1	2	3	4	5	6	7
An extended family member should be protected by other member in exchange for loyalty	1	2	3	4	5	6	7
People are identified by their position in the social networks to which they belong	1	2	3	4	5	6	7
Money and material things are important	1	2	3	4	5	6	7
Men are supposed to be assertive, ambitious, and tough	1	2	3	4	5	6	7
Dominant values in society are the caring for others and preservation	1	2	3	4	5	6	7
Both men and women are allowed to be tender and to be concerned with relationships	1	2	3	4	5	6	7

SECTION 7

The final few questions are for classification purposes only. All information collected is completely anonymous and confidential.

What is your gender?

Male	Female

What age range do you fall in?

16 – 25	26 – 35	36 – 45	46 – 55	56 – 65	65+

What is your highest level of education?

………………………………………………………………………………………..

To the nearest year, how many years have you been with your present company?

………………………………………………………………………………………..

What is your current job title?

………………………………………………………………………………………..

THANKYOU VERY MUCH FOR YOUR PRECIOUS TIME AND CO-OPERATION, YOUR SUPPORT IS GREATLY APPRECIATED. IF YOU HAVE ANY QUERIES, PLEASE DO NOT HESITATE TO CONTACT ME ON THE FOLLOWING E-MAIL ADDRESS:

Ms. A. Sood
sooda1@aston.ac.uk

8.1.2   APPENDIX 1.2 FINAL QUESTIONNAIRE

Aston Business School

Miss A. Sood
Aston Business School
Doctoral Programme
Marketing Group
Nelson Building
Birmingham, B4 7ET
Email: sooda1@aston.ac.uk

Dear Sir/Madam,

I would very much appreciate your help with a study that I am undertaking for my PhD in the UK.   The study is aimed at exploring the effects of empowerment on customer contact employees in the banking industry in two different countries (i.e. England and India).

As your answers are critical for my research, I would be extremely grateful if you could find the time to complete the attached questionnaire (approximately 15 minutes).   I am aware that this represents a demand on your busy schedule, but your participation could really make the difference between success and failure for the study.

Please note that your answers will remain fully confidential and at no time will you be identified to your manager or company.   Additionally to ensure complete anonymity at no point will you or your firm be identified in the analysis and after completion of this study all questionnaires will be destroyed.

If you have any queries, or wish to discuss this project in more detail, please feel free to contact me.   Thank you very much in advance for your co-operation. Your support is greatly appreciated.

Kind regards,

Aarti Sood

This study is being conducted by a PhD student from Aston Business School, (Birmingham, England) and is only intended to provide information for a research thesis. The survey is completely anonymous and cannot be used to identify you or your company. There are no right or wrong answers so please provide your honest opinion. **Please circle only one number for each statement.**

Please use the following scale to answer the subsequent statements:

Strongly Disagree	Disagree	Slightly Disagree	Neither	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

SECTION 1

A: Reflects your view of your superior's role in your job

	Strongly Disagree						Strongly Agree
My superior always lets me know what is expected of me in my job	1	2	3	4	5	6	7
My superior always decides what shall be done and how it shall be done	1	2	3	4	5	6	7
My superior always makes sure that I understand his/her role in my job	1	2	3	4	5	6	7
My superior schedules job-related tasks which are to be done	1	2	3	4	5	6	7
My superior enforces high standards of performance for me	1	2	3	4	5	6	7
My superior asks that I follow standard rules and regulations	1	2	3	4	5	6	7
My superior explains the way any job-related task should be carried out	1	2	3	4	5	6	7
When faced with a problem, my superior consults with me	1	2	3	4	5	6	7
Before making decisions, my superior gives serious consideration to what I have to say	1	2	3	4	5	6	7
Before taking action my superior consults with me	1	2	3	4	5	6	7

B: Reflects your view of relevant training received to perform your job

	Strongly Disagree						Strongly Agree
I receive continued training to provide good service	1	2	3	4	5	6	7
I receive extensive customer service training before I come into contact with customers	1	2	3	4	5	6	7
I receive training on how to serve customers better	1	2	3	4	5	6	7
I am trained to deal with customer complaints	1	2	3	4	5	6	7
I receive training on dealing with customer problems	1	2	3	4	5	6	7
I receive training on how to deal with complaining customers	1	2	3	4	5	6	7

C: Reflects your view of information sharing in the company

	Strongly Disagree						Strongly Agree
The company provides information on what it wants to accomplish in the future	1	2	3	4	5	6	7
I am given access to financial records of the company	1	2	3	4	5	6	7
The company provides information on how its objectives are going to be achieved	1	2	3	4	5	6	7
The company has an efficient way to disseminate information to all levels of employees	1	2	3	4	5	6	7
The company publishes information on its reward structure	1	2	3	4	5	6	7
I have all the necessary information to serve customers	1	2	3	4	5	6	7
I am kept informed about what is going on in the company	1	2	3	4	5	6	7
I know how to get the necessary information to help customers	1	2	3	4	5	6	7
The company provides employees with sufficient information about its clients	1	2	3	4	5	6	7

D: Reflects your view of reward schemes in the company

	Strongly Disagree						Strongly Agree
If I improve the level of service I offer customers, I will be rewarded	1	2	3	4	5	6	7
The rewards I receive are based on customer evaluations of service	1	2	3	4	5	6	7
I am rewarded for serving customers well	1	2	3	4	5	6	7
I am rewarded for dealing effectively with customer problems	1	2	3	4	5	6	7
I am rewarded for satisfying complaining customers	1	2	3	4	5	6	7

SECTION 2

E: Reflects your view on how much independence you are given to perform your job

	Strongly Disagree						Strongly Agree
I am allowed to do almost anything to do a high quality job	1	2	3	4	5	6	7
I have a lot of responsibility in my job	1	2	3	4	5	6	7
I have the authority to correct problems when they occur	1	2	3	4	5	6	7
I am encouraged to use my initiative when dealing with job-related problems	1	2	3	4	5	6	7
I wish management would give me more authority	1	2	3	4	5	6	7
I have to go through many regulations to change things	1	2	3	4	5	6	7

I have a lot of control over how I do my job	1	2	3	4	5	6	7
I do not need management approval before I handle job-related problems	1	2	3	4	5	6	7
I am encouraged to handle job-related problems by myself	1	2	3	4	5	6	7
I am allowed to take charge of problems requiring immediate attention	1	2	3	4	5	6	7
I am able to make changes in my job when I deem them appropriate	1	2	3	4	5	6	7
I would like a job allowing me more authority	1	2	3	4	5	6	7
I have to follow regulations closely in my job	1	2	3	4	5	6	7
I have complete freedom to perform job-related tasks	1	2	3	4	5	6	7
I am allowed to perform my job the way I think most appropriate	1	2	3	4	5	6	7
I am allowed to freely handle job-related tasks assigned to me	1	2	3	4	5	6	7
I am trusted to exercise good judgement in my job	1	2	3	4	5	6	7
The majority of the time I am left on my own to do my job	1	2	3	4	5	6	7
While performing my job function I am able to act independently of my superior	1	2	3	4	5	6	7
I control the pace of my work	1	2	3	4	5	6	7

F: Reflects your orientation towards your work

	Strongly Disagree						Strongly Agree
I am confident about my ability to do my job	1	2	3	4	5	6	7
The work that I do is important to me	1	2	3	4	5	6	7
I have significant autonomy in determining how I do my job	1	2	3	4	5	6	7
I have a large impact on what happens in my department	1	2	3	4	5	6	7
My job activities are personally meaningful to me	1	2	3	4	5	6	7
I have a great deal of control over what happens in my department	1	2	3	4	5	6	7
I can decide on my own how to go about doing my own work	1	2	3	4	5	6	7
I have the authority to make job-related decisions at work	1	2	3	4	5	6	7
My job is well within the scope of my abilities	1	2	3	4	5	6	7
I have considerable opportunity for independence in how I do my job	1	2	3	4	5	6	7
I have mastered the skills necessary for my job	1	2	3	4	5	6	7
I can handle the challenges I face at work	1	2	3	4	5	6	7
The work I do is meaningful to me	1	2	3	4	5	6	7

I have significant influence over what happens in my department	1	2	3	4	5	6	7
I am confident about my ability to perform my job	1	2	3	4	5	6	7
I have the skills and abilities to do my job well	1	2	3	4	5	6	7

SECTION 3

G: Reflects your confidence levels

	Strongly Disagree						Strongly Agree
I feel I am overqualified for the job I am doing	1	2	3	4	5	6	7
I have all the technical knowledge I need to deal with my job	1	2	3	4	5	6	7
I feel confident that my skills and abilities equal or exceed those of my colleagues	1	2	3	4	5	6	7
My past experiences and accomplishments increase my confidence that I will be able to perform successfully in my job	1	2	3	4	5	6	7
I could handle a more challenging job than the one I am doing	1	2	3	4	5	6	7
Professionally speaking, my job exactly satisfies my expectations of myself	1	2	3	4	5	6	7

H: Reflects any uncertainties you may have

	Strongly Disagree						Strongly Agree
I often do things that are apt to be accepted by one person and not accepted by another	1	2	3	4	5	6	7
I have clear, planned goals and objectives for my job	1	2	3	4	5	6	7
I have to perform certain job-related tasks that I believe should be done differently	1	2	3	4	5	6	7
I manage my time well in order to perform my job	1	2	3	4	5	6	7
I often receive an assignment without the training needed to complete it	1	2	3	4	5	6	7
I know what my responsibilities are in my job	1	2	3	4	5	6	7
I often have to bend a rule or policy in order to carry out my job	1	2	3	4	5	6	7
I work with two or more groups who operate quite differently	1	2	3	4	5	6	7
I know exactly what is expected of me in my job	1	2	3	4	5	6	7
I often receive incompatible requests from two or more people whilst performing job-related tasks	1	2	3	4	5	6	7
I feel certain about how much authority I have in my job	1	2	3	4	5	6	7
I often receive an assignment without adequate resources and materials to execute it	1	2	3	4	5	6	7
I often receive clear explanations of what has to be done	1	2	3	4	5	6	7

I often work on unnecessary things in my job	1	2	3	4	5	6	7

SECTION 4

I: Reflects your view of your job-related tasks

	Strongly Disagree						Strongly Agree
	1	2	3	4	5	6	7
My job is creative	1	2	3	4	5	6	7
My job is valuable to me	1	2	3	4	5	6	7
I have plenty of freedom on my job to use my own judgement	1	2	3	4	5	6	7
My job is exciting	1	2	3	4	5	6	7
My job is satisfying	1	2	3	4	5	6	7
I am really doing something worthwhile in my job	1	2	3	4	5	6	7
I am productive in my job	1	2	3	4	5	6	7
The work I do to perform my job is useful	1	2	3	4	5	6	7
My job is interesting	1	2	3	4	5	6	7
My job is challenging	1	2	3	4	5	6	7
My job is often varied	1	2	3	4	5	6	7
My job gives me a sense of accomplishment	1	2	3	4	5	6	7

SECTION 5

J: Reflects your view of the direction of the company

	Strongly Disagree						Strongly Agree
I am always driven by customer satisfaction	1	2	3	4	5	6	7
I constantly monitor my level of orientation to ensure that I am serving customers' needs	1	2	3	4	5	6	7
I have a good understanding of my customers' needs	1	2	3	4	5	6	7
I believe that I create greater value for customers	1	2	3	4	5	6	7
I measure customer satisfaction frequently	1	2	3	4	5	6	7
I give close attention to after-sales service	1	2	3	4	5	6	7

K: Reflects your view of the company

	Strongly Disagree						Strongly Agree
I find that my values and the company's values are very similar	1	2	3	4	5	6	7
I really care about the future of this company	1	2	3	4	5	6	7
I am proud to tell others that I work for this company	1	2	3	4	5	6	7
I am willing to put a great deal of effort beyond that normally expected in order to help the company be successful	1	2	3	4	5	6	7
For me, this is the best of all possible company's for which to work	1	2	3	4	5	6	7

SECTION 6

L: Reflects your views of society

	Strongly Disagree						Strongly Agree
Inequalities among people are both expected and desired	1	2	3	4	5	6	7
Less powerful people should be dependent on the more powerful	1	2	3	4	5	6	7
Inequalities among people should be minimised	1	2	3	4	5	6	7
There should be, and there is to some extent, interdependencies between less and more powerful people	1	2	3	4	5	6	7
Everyone grows up to look after him/herself and his/her immediate family only	1	2	3	4	5	6	7
People are identified independently of the groups they belong to	1	2	3	4	5	6	7
An extended family member should be protected by another member in exchange for loyalty	1	2	3	4	5	6	7
People are identified by their position in the social networks to which they belong	1	2	3	4	5	6	7
Money and material things are important	1	2	3	4	5	6	7
Men are supposed to be assertive, ambitious, and tough	1	2	3	4	5	6	7
Dominant values in society are the caring for others and preservation	1	2	3	4	5	6	7
Both men and women are allowed to be tender and to be concerned with relationships	1	2	3	4	5	6	7

SECTION 7

The final few questions are for classification purposes only. All information collected is completely anonymous and confidential.

What is your gender?

Male	Female

What age range do you fall in?

16 – 25	26 – 35	36 – 45	46 – 55	56 – 65	65+

What is your highest completed level of education?

………………………………………………………………………………………..

To the nearest year, how many years have you been with your present company?

………………………………………………………………………………………..

THANK YOU VERY MUCH FOR YOUR PRECIOUS TIME AND CO-OPERATION, YOUR SUPPORT IS GREATLY APPRECIATED. IF YOU HAVE ANY QUERIES, PLEASE DO NOT HESITATE TO CONTACT ME ON THE FOLLOWING E-MAIL ADDRESS:

Miss A. Sood
sooda1@aston.ac.uk

8.1.3   APPENDIX 1.3 FOLLOW-UP EMAIL

From: sooda1@aston.ac.uk

Subject: Re: Questionaire

Date: Wed, June 15, 2005 4:40 pm

To: rajeshsankaran@xxxx.co.in

Dear Mr. Sankaran,

Thank you very much for sparing the time to distribute my questionnaire. Your response was most encouraging and is greatly appreciated. Please let me reassure you that although the questionnaire looks lengthy it should not take more than 15 minutes for your employees to complete.

As agreed I will collect the completed questionnaires on Monday 20th June. If you have any queries please do not hesitate to contact me on 09871747772.

Kind regards

Aarti Sood
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Marketing Group
Aston Business School
Birmingham
B4 7ET
Tel: (+44) 0121 204 3290
e-mail: sooda1@aston.ac.uk

8.2   APPENDIX 2 KOLMOGOROV-SMIRNOV TEST

8.2.1 APPENDIX 2.1 UK INDIGENOUS SAMPLE

| Scale	Kolmogorov-Statistic	P Value	Skewness	Kurtosis
Training	1.690	0.007	-0.849	0.956
Rewards	1.871	0.002	-1.098	1.154
Information Sharing	1.807	0.003	-0.822	0.726
Relational Empowerment	1.346	0.053	-0.637	0.125
Psychological Empowerment	1.234	0.095	-0.833	1.233
Role Conflict	1.872	0.002	-0.476	-1.061
Self Efficacy	1.870	0.002	-0.963	2.215
Job Satisfaction	1.876	0.002	-0.814	-0.076
Customer Orientation	1.617	0.011	-0.729	0.467

The graphs show the frequency distributions for the final scales of the indigenous UK sample. From these graphs it appears that two of the scales violate normality. More specifically rewards and conflict show a 'flatter' distribution indicating that the kurtosis may be a cause for concern. However, the corresponding statistics indicate that there were no major departures from normality in the context of structural equation modelling (West *et al*, 1995). Thus, all nine scales were deemed suitable for further analysis.

Frequency Distribution for the UK Indigenous Sample
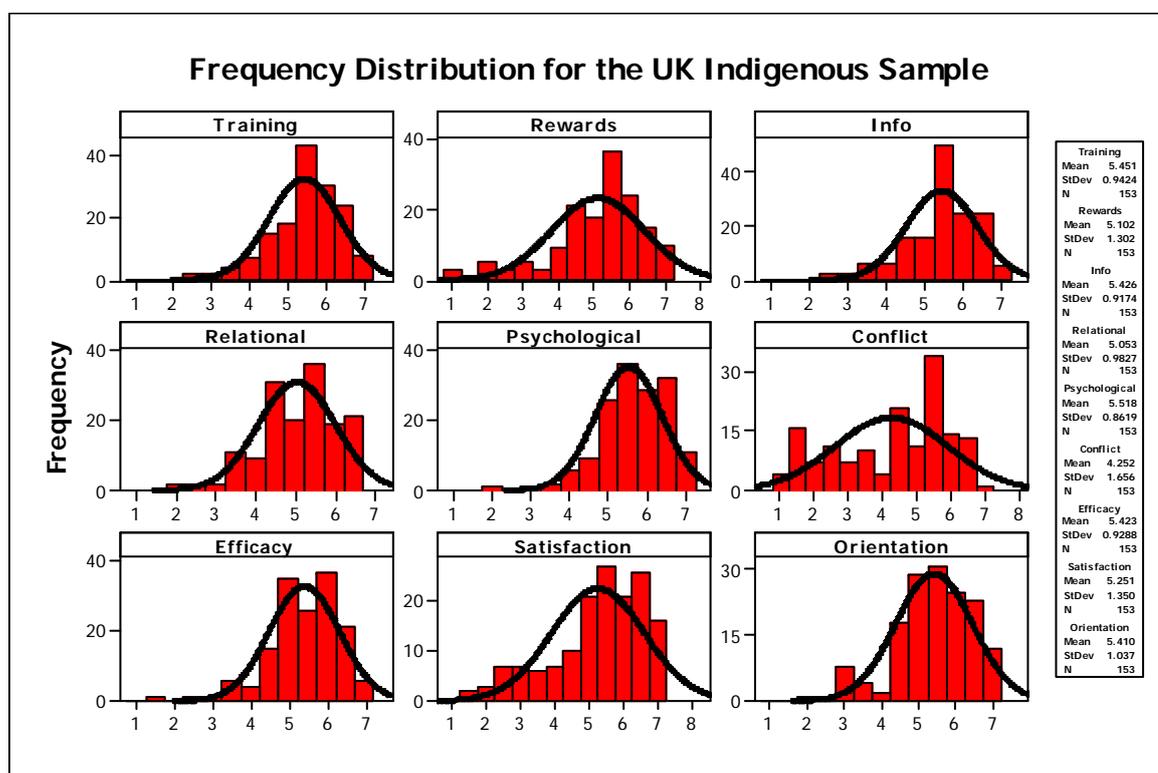
8.2.2   APPENDIX 2.2 INDIA INDIGENOUS SAMPLE

| Scale	Kolmogorov-Statistic	P Value	Skewness	Kurtosis
Training	1.392	0.041	-0.792	0.295
Rewards	1.804	0.003	-0.650	-0.380
Information Sharing	1.291	0.071	-0.945	0.868
Relational Empowerment	1.575	0.014	-0.279	-1.063
Psychological Empowerment	1.844	0.002	-0.386	-0.933
Role Conflict	1.283	0.075	-0.266	0.020
Self Efficacy	1.906	0.001	-0.385	-0.902
Job Satisfaction	1.994	0.001	-1.017	0.719
Customer Orientation	2.503	0.000	-1.116	0.944

The graphs show the frequency distributions for the final scales of the indigenous India sample.   Again the kurtosis of the scales, particularly information sharing and customer orientation, show cause for concern.   However, close inspection of the statistics indicate no serious concerns regarding the normality of the variables. Consequently, all scales were retained for further analysis.

Frequency Distribution for the India Indigenous Sample
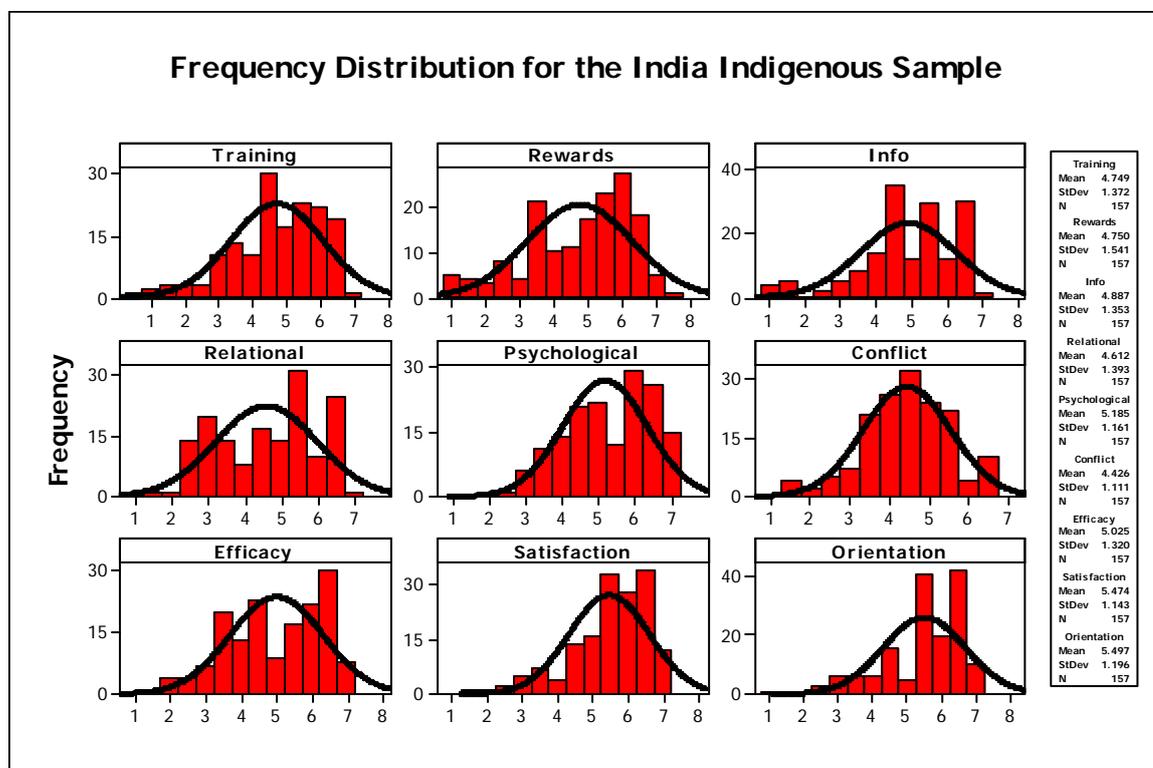
8.2.3   APPENDIX 2.3 UK MULTINATIONAL SAMPLE

Scale	Kolmogorov-Statistic	P Value	Skewness	Kurtosis
Relational Empowerment	2.050	0.000	-0.569	-0.154
Psychological Empowerment	1.260	0.083	-0.729	0.748
Role Conflict	1.641	0.009	0.411	-0.596
Self Efficacy	1.641	0.009	-0.717	1.135
Job Satisfaction	1.791	0.003	-0.667	0.774
Customer Orientation	2.060	0.000	-1.012	0.520

The graphs show the frequency distributions for the final scales of the UK multinational sample. With the exception of the role conflict scale all scales show an extremely slight positive skew. In contrast, the role conflict scale shows a slight negative skew. However, the skewness statistics give no major cause for concern regarding the normality of the scales. Thus, all six scales were retained for further analysis.

Frequency Distribution for the UK Multinational Sample
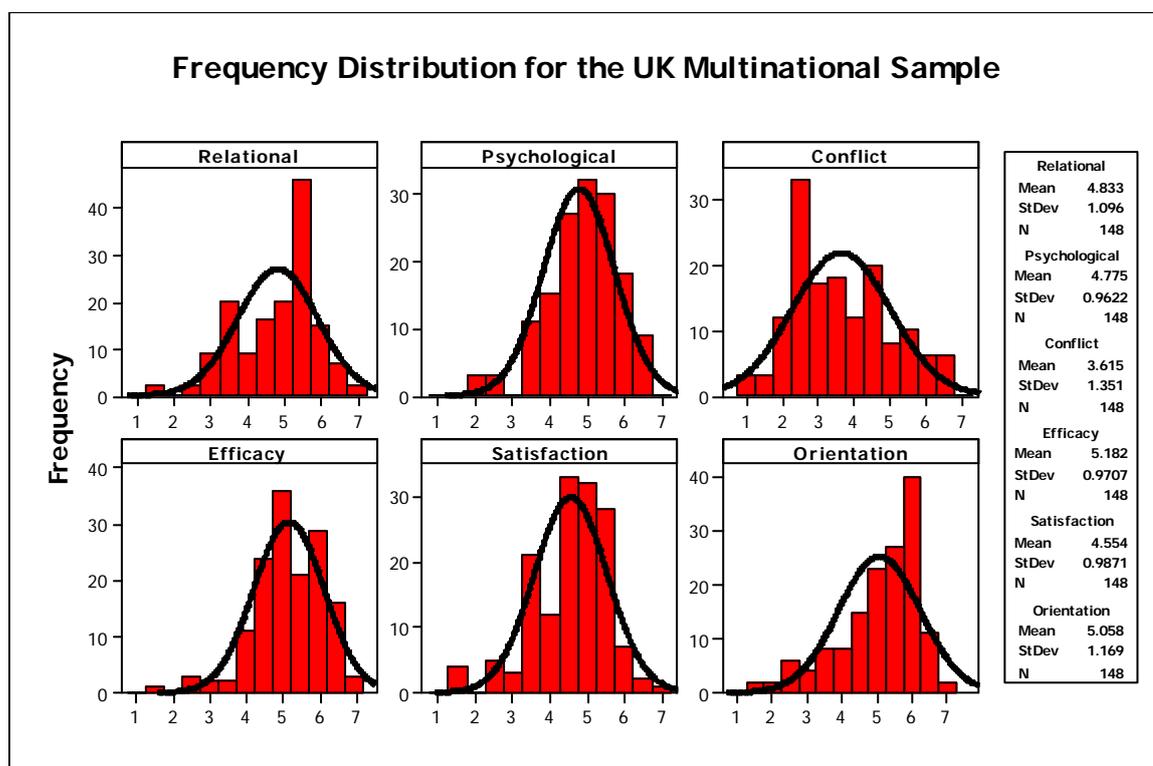
8.2.4   APPENDIX 2.4 INDIA MULTINATIONAL SAMPLE

Scale	Kolmogorov-Statistic	P Value	Skewness	Kurtosis
Relational Empowerment	1.875	0.002	-0.828	0.152
Psychological Empowerment	1.342	0.055	-0.818	1.092
Role Conflict	1.309	0.065	-0.133	-0.964
Self Efficacy	1.812	0.003	-0.888	0.658
Job Satisfaction	1.535	0.018	-0.711	0.719
Customer Orientation	1.662	0.008	-0.509	-0.162

The graphs show the frequency distributions for the final scales of the India multinational sample. From the graphs it is evident that there is a slight skew towards larger values in the distributions for all of the scales. However, the corresponding statistics reveal that there are no serious concerns regarding the normality of the variables as they are well below the proposed limit of moderate nonnormality, i.e. below 2 (Curran *et al*, 1996). Consequently, all six scales were deemed suitable for further analysis.

Frequency Distribution for the India Multinational Sample