

**AN EXAMINATION OF THE IMPACTS OF EMPLOYEE
EMPOWERMENT FROM DIFFERENT PERSPECTIVES:
A MULTILEVEL ANALYSIS**

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ABSTRACT

Employee empowerment has been recognised as one of the most desirable managerial practices in the hospitality industry, where frontline employees directly interact with customers to provide services. The extant literature has investigated the impact of empowerment on organisational outcomes; however, relatively few studies have investigated the outcomes of empowerment from customers' perspective. Moreover, little is known regarding the impact of group dynamics on empowerment, such as how employees perceive empowerment compared to peers in the same team, or how within-group disparity of empowerment affects employees' work performance. Furthermore, hospitality businesses are often operating in teams, but most studies have adopted a single level approach without considering the impact of empowerment from different levels. Hence, this research sets out to bridge these gaps in the literature.

This research aims to examine an integrated research model of empowerment from the perspectives of managers (the empowering), employees (the empowered), and empowerment disparity, which captures within-group differences in employees' perceptions of empowerment, to fill in the gaps in the empowerment literature. The integrated model provides additional but crucial evidence of the impact of empowerment from the perspective of customers and presents psychological contract as a mediation mechanism at an individual level. The multilevel relations between managers' assessment of their empowering behaviour and their nested employees are investigated. At a cross-level, the moderating role of group dynamics, termed "empowerment disparity," is examined in terms of the relationship between empowering behaviour and psychological empowerment, and between psychological empowerment and psychological contract.

To fulfil the research aims, a positivist paradigm was followed. A quantitative research approach through a questionnaire survey method was employed, drawing on primary data from a matched sample of 2,129 customers from 286 employees with their managers, from 51 restaurants in five provinces in Thailand. Multiple theories were applied to provide theoretical support for the proposed hypotheses. Both individual and cross-level hypotheses were tested using a hierarchical linear modelling analysis. To the best knowledge of the author, this is the first research to examine multiple perspectives of empowerment (i.e., managers, employees, and customers) at multiple levels.

At the individual level, this study confirmed a significant impact of psychological empowerment on both employee and customer outcomes. Psychological contract partially explained the influence of psychological empowerment on work engagement. Customers' assessments of interaction quality were also significantly affected by employees' perceptions of empowerment and psychological contract. At the multilevel, managers' empowering behaviour was found to significantly influence employees' perceptions of empowerment and psychological contract. Additionally, empowerment disparity moderated the effect between managers' empowering behaviour and employees' perceptions of empowerment, and between psychological empowerment and psychological contract. As such, the effects of the empowering and the empowered were found to be stronger among high empowerment disparity within a team.

The key contribution of this study is that it provides empirical evidence that managers' perceptions of their empowering behaviour influences employees' perceptions of empowerment and psychological contract, and consequently, influence employees' work engagement and customers' evaluations of interaction quality during the service encounter. It also advances current knowledge of empowerment by introducing and examining empowerment disparity as a group dynamic construct. As one of the first to have integrated multiple aspects of empowerment in one study, these findings make meaningful contributions to both the academic literature and the hospitality industry. Given the findings, hospitality researchers and practitioners are encouraged to find a way to effectively empower their employees, considering the positive role of the sense of disparity in a workgroup.

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LIST OF ABBREVIATIONS

AET	Affective Event Theory
AUT	Auckland University of Technology
AUTEC	Auckland University of Technology Ethics Committee
AVE	Average Variance Extracted
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
COVID-19	Coronavirus Disease 2019
CR	Composite Reliability
EB	Empowering Behaviour
ED	Empowerment Disparity
ELQ	Empowering Leadership Questionnaire
GDP	Gross Domestic Product
GFI	Goodness of Fit Index
HLM	Hierarchical Linear Modelling
IQ	Interaction Quality
PC	Psychological Contract
PE	Psychological Empowerment
QSR	Quick Service Restaurant
RMSEA	Root Mean Square Error of Approximation
SMEs	Small Medium Enterprises
TLI	Tucker-Lewis Index
USDA	United States Department of Agriculture
UWES	Utrecht Work Engagement Scale
WE	Work Engagement

ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person except where explicitly defined in the acknowledgements, nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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CHAPTER 1 INTRODUCTION

1.1 Chapter Preview

This chapter presents the background against which this thesis is set. It begins by briefly explaining the importance of service quality and how employee empowerment has become popular in the management of customer-service employees in the service sector generally, and in the hospitality and tourism industry specifically. The key issues identified from the extant literature are then described, outlining the merit in building on the current body of literature in this field, as some areas of employee empowerment research are under-investigated. The research questions and objectives guiding this study are then presented. The significance of this study is later discussed, and key terms defined. Lastly, the structure of the thesis is outlined.

1.2 Background and Problem Statement

The hospitality and tourism industry is one of the world's largest economic sectors, with a direct gross domestic product (GDP) growth of 4.6% in 2017 (World Travel & Tourism Council, 2018). In such a highly competitive environment in which customers have numerous choices, customer loyalty is a key factor for sustaining business (Chin & Tsai, 2013). This is because businesses can boost their profits by almost 100% by retaining just five per cent more of their customers (Reichheld & Sasser, 1990). Furthermore, loyal customers tend to increase their share of their resources to a particular business, are willing to pay more for products or services with their preferred service providers, and generate positive word-of-mouth both traditionally and electronically, which is arguably the most valuable outcome of customer-business relationships (Kandampully et al., 2015).

Research shows that customer loyalty is largely influenced by perceived service quality (e.g., Bloemer et al., 1999; Caruana, 2002). The literature indicates that service quality as perceived by customers are significantly shaped by employees' attitudes and behaviour toward them (Gazzoli et al., 2013; Hartline & Ferrell, 1996; Parasuraman et al., 1985; Zeithaml & Bitner, 2003). In the service industry, customers form their perceptions of service quality during interactions with frontline employees through their attitudes, behaviours, and expertise (Bitner et al., 1994; Brady & Cronin 2001; Ekinici & Dawes, 2009; Lashley, 2001). With a unique culture of frequent interaction between customers

and employees, frontline employees have a crucial role in service delivery in the hospitality and tourism industry (Terjav et al., 2016).

The hospitality and tourism industry is a very labour-intensive industry, relying on the performance and engagement of its employees to ensure success (DiPietro & Condly, 2007). Because of the constant interaction with customers, employees are expected to have delicate and positive attitudes toward the demands of their customers (Dai et al., 2019). Employees, who are engaged in their work, have a positive work-related state of mind, psychologically fulfilling, that urges them to enthusiastically engage themselves emotionally, cognitively, and physically in accomplishing their tasks (Schaufeli et al., 2002). Thus, engaged employees are a critical component in providing service excellence (Li et al., 2012). Previous studies have revealed that engaged employees show more effort and are more energetic and enthusiastic at work; consequently, achieving higher levels of task completion and providing a better service (Karatepe & Demir, 2014; Paek et al., 2015). However, the hospitality industry is infamous for professional strain, excessive hours, lack of appreciation and low pay for employees (Kusluvan, 2003a). Accordingly, managing frontline employees plays a significant role in organisational success in the hospitality and tourism industry (Kusluvan et al., 2010), where the main challenge is how to engage employees in their work (Huertas-Valdivia et al., 2018).

Previous studies suggest that empowerment is an important aspect of managerial practices in the service industry, particularly the hospitality industry, which are normally highly customised and require extensive interpersonal skills (e.g., Bowen & Lawler, 1992; Fulford & Enz, 1995; Gazzoli et al., 2010; Hancer & George, 2003; Kruja et al., 2016). Since the concept of empowerment was introduced, several studies have reported that empowerment helps improve both an individual's and an organisation's performance (see Maynard, Mathieu, et al., 2012; Seibert et al., 2011). When employees are empowered, they can make better decisions which can intensify the organisation's excellence (Tripathi et al., 2021). Specifically, empowered employees have a sense of belonging and engagement with their organisations, which helps them manage their emotions in order to satisfy customers (Lashley, 2001), which in turn, results in increased profitability (Al-Makhadmah et al., 2020).

Given that empowerment provides employees with control, authority and the essential discretion and autonomy to generate the level of customer service required (Brymer,

1991; Lashley, 1995, 1999), scholars suggested that employee empowerment is one of the most notable factors for service quality improvement (He et al., 2010). However, most empowerment studies have examined service quality as the outcome of empowerment from the perspectives of employees (e.g., Fang-guo, 2013; He et al., 2010) and managers (e.g., Lin et al., 2017; Ueno, 2008). Dedeoğlu and Demirer (2015) pointed out that different stakeholders (e.g., managers, employees, and customers) in the service industry have different service quality discernments; specifically, employees in their study tended to perceive their service performance to be at a high level, while managers and customers perceived it to be at a low level. For customers, the most critical indicator of service quality is interaction quality (Brady & Cronin 2001), yet it is also the least investigated (Lashley, 2001).

To have a better understanding of how empowerment influences employees' work outcomes, a mediation mechanism needs to be investigated. Despite being widely studied for the antecedents and consequences of empowerment, the mechanisms explaining such relationships are rarely examined, meaning that numerous potential mediators have yet to be investigated (Maynard, Gilson, et al., 2012). Extant studies have provided a few mediators between empowerment and employees' work outcomes, such as self-efficacy (Conger & Kanungo, 1988), management trustworthiness (Kim et al., 2012), job satisfaction (Gazzoli et al., 2010) and organisational citizenship behaviour (Chiang & Hsieh, 2012). This study proposes that psychological contract, the mutual obligation between employees and employers (Rousseau & Tijoriwala, 1998), is a plausible mediator that explains the relationship between empowerment and employees' work outcomes. Psychological contract can be regarded as employees' evaluation of their employers' obligations to them, in exchange for their work efforts (Li et al., 2014). Thus, employees' perceptions of psychological contract are a powerful determinant of their work behaviour (Rousseau, 1989). Research also suggests that psychologically empowered employees have an exceptional commitment to their organisation's goals, which creates a win-win employment relationship (Lashley, 2001).

Since most hospitality employees work in teams, it is necessary and valuable to understand how empowerment functions at both individual and group-levels. However, most studies have adopted a single-level approach without considering the multilevel nature of empowerment (Rappaport, 1987). Moreover, existing studies have examined empowering behaviour from the employees' perspective (e.g., Huertas-Valdivia,

Gallego-Burín, et al., 2019; Namasivayam et al., 2014; Raub & Robert, 2013) rather than the managers' perceptions of their empowering behaviour. As empowerment can be considered as the role of top management in empowering employees (Pelit et al., 2011), and most management phenomena occur at multiple levels within organisations (Hitt et al., 2007), there is limited empirical evidence for how managers' empowering behaviour influences employees' outcomes from the perspectives of both employees and their manager.

Considering the dynamic nature of workgroups, there is a need to understand what is happening within diverse groups and examine the team relationship from a dynamic and multilevel perspective (Karolidis & Vouzas, 2019; Mathieu et al., 2019). However, few efforts have been made to investigate the impact of group dynamics, such as how employees perceive empowerment and compare themselves to their peers in the same team, or how within-group disparity of empowerment affects employees' attitudes and behaviour. Honold (1997) pointed out that empowerment not only involves how managers empower the team and how members respond to empowerment but also entails how members in the same team interact with each other. Liden et al. (2000) also suggested that empowerment studies need to consider the exchanges between workgroup members because employees evaluate and compare themselves with other members before performing their tasks. Most empowerment studies presume that employees are motivated in the same way, but fail to recognise that people may differ in their preferences or anticipations of power and personal value associated with work (Lashley, 2001). A few studies have demonstrated that for some employees, empowerment can be unwelcoming and frustrating, while for other employees, empowerment can help them develop a sense of personal ownership and attachment to a specific aspect of their work (Ashness & Lashley, 1995; Hartline & Ferrell, 1996).

Despite the increasing interest in empowerment studies in the hospitality and tourism literature, there are some contextual limitations. Compared to other sectors, the concept of employee empowerment is rarely studied in the restaurant industry. Knowledge of employees' motivations and behaviour in the restaurant industry is critical, as it is fundamental to hospitality and tourism environments (DiPietro, 2017). Furthermore, most empowerment studies have been conducted in Western countries, with only a few studies in an Asian context. Because the hospitality and tourism industry is highly competitive, particularly in Asia (World Travel & Tourism Council, 2018), it is crucial to provide

empirical evidence of the effects of empowerment from an Asian perspective. Additionally, Thailand's hospitality and tourism industry is exceptionally important for its direct contribution to the world's GDP (9.4%, World Travel & Tourism Council, 2018), yet it has been overlooked by empowerment researchers.

The discussion to this point has demonstrated that employee empowerment is vital to the success of hospitality and tourism businesses. As aforementioned, this study pinpoints several major gaps in the literature. The first research gap is the lack of a comprehensive understanding of empowerment from multiple and multilevel perspectives. The next gap is the absence of knowledge of how empowerment influences work engagement from employees' perspective, and service quality in terms of interaction quality from customers' perspective. The third gap is the lack of insight into a mechanism that explains how employees' psychological empowerment influences outcomes through psychological contract. Another gap is the unavailability of empirical evidence of how managers' empowering behaviour influences employees' outcomes from a multilevel perspective. There is also a need for a study of group dynamics and how within-group disparity of empowerment affects employees' attitudes and behaviour. Lastly, there is little evidence for the study of empowerment in the restaurant industry or in Asian countries, particularly Thailand. By identifying the research gaps in the empowerment literature, the following section discusses the study's aim, research questions, and objectives to address the gaps.

1.3 Research Questions and Objectives of the Study

To address the identified gaps in the literature, this research aims to provide a comprehensive picture of the concept of empowerment and examine an integrated model of empowerment that embraces the perspectives of multiple stakeholders, including employees, managers, and customers, in organisational dynamics. Accordingly, the following research questions were developed:

1. From the perspective of employees, to what extent does psychological empowerment influence their level of work engagement?
2. From the perspective of customers, to what extent does employees' psychological empowerment influence interaction quality?

3. At an individual level, does psychological contract mediate the impact of psychological empowerment on work engagement and interaction quality?
4. Across different levels, to what extent does empowering behaviour from managers influence employees' psychological empowerment and psychological contract?
5. Across different levels, how do group dynamics moderate the impact of empowering behaviour on psychological empowerment, and the impact of psychological empowerment on psychological contract?
6. From the perspective of customers, to what extent does interaction quality influence customer loyalty?

By the completion of this study, the following research objectives will have been achieved:

1. To theoretically develop and empirically examine an integrated model of empowerment.
2. To theoretically develop a concept of empowerment disparity.
3. To empirically examine the direct effect of empowering behaviour and psychological empowerment from different perspectives, at both an individual level and a group-level.
4. To theoretically and empirically examine the mediating effect of psychological contract on psychological empowerment and its outcomes.
5. To theoretically and empirically examine the moderating effect of empowerment disparity on empowering behaviour and psychological empowerment, and psychological empowerment and psychological contract.
6. To empirically examine the direct effect of interaction quality on customer loyalty.

1.4 Significance of the Study

By providing a comprehensive understanding of empowerment from multiple and multilevel perspectives to bridge a major research gap in the empowerment literature, this thesis makes several contributions to both the academic literature and the hospitality industry, particularly to the restaurant sector.

From a theoretical standpoint, this study provides an integrated model combining a multilevel analysis of empowerment from different perspectives using social psychological theories. First, this study is one of the first to theoretically develop the concept of empowerment disparity to capture employees' perceptions of empowerment in the dynamic nature of workgroups. Using status hierarchy theory, empowerment disparity is developed and examined in an integrated model of empowerment, which provides a comprehensive view of empowerment from employees', managers', and group dynamics' perspectives. Not only is this study one of the first to take group dynamics into account to understand empowerment, but also one of the first to have integrated multiple aspects of empowerment in one study. More importantly, it is among the first to theoretically analyse and empirically examine the cross-level moderating effect of empowerment disparity on the relationship between empowering behaviour and psychological empowerment, and the relationship between psychological empowerment and psychological contract.

Second, utilising social exchange theory, this study provides empirical evidence to confirm the influences of psychological empowerment on work engagement (an employee outcome from the employees' perspective) and service quality, in terms of interaction quality (a customer outcome from the customers' perspective), in a hospitality context. It is also one of the first to theoretically analyse and empirically examine psychological contract as a mediator, to explain how and why psychological empowerment influences its outcomes, particularly work engagement and interaction quality. With psychological contract as a mediator, this research contributes to the understanding of the psychological process linking psychological empowerment with its outcomes.

Third, employing affective event theory, the study provides empirical evidence confirming how managers' perceptions of their empowering behaviour influences employees' outcomes from a multilevel perspective in a hospitality context. While the majority of empowering leadership studies investigated employees' perspective, this study is one of a small number of investigations to examine empowering behaviour from the managers' perspective, in case employees' perceptions differ from what managers intend to convey. Therefore, the findings present a unique and holistic view of empowerment. Researchers in the fields of social psychology, management, and hospitality, can be guided and inspired by the findings from this study.

Methodologically, this study offers empirical evidence of empowerment in a restaurant context. Despite the importance of empowerment, the concept is still not clearly understood in the restaurant industry, where there is intensive interaction between employees and customers. By using Thai restaurant employees as the subjects of the study, the results make a compelling contribution to the current hospitality, hotel, and restaurant management literature, as they also provide empirical evidence from Eastern managers', employees', and customers' perspectives. Additionally, matching the managers', employees', and customers' responses, not only avoids common method bias but also considers the nested nature of their relationship, making a major methodological contribution to the literature.

Managerially, the results of this research provide valuable insights for managers and hospitality practitioners into how empowerment can influence organisations' desired outcomes. The findings can help them understand the causal mechanisms of employees' motivation to provide better service. Hospitality practitioners can also gain a better understanding of how to apply empowerment in the dynamic nature of organisational workgroups and acknowledge the disparity of empowerment within a team.

1.5 Key Terms in the Study

Empowering behaviour is a set of leader behaviours whereby power is shared with subordinates, which raises their level of intrinsic motivation (Srivastava et al., 2006).

Psychological empowerment is “the psychological state of a subordinate perceiving four dimensions of meaning, competence, self-determination and impact (Spreitzer, 1995), which is affected by empowering behaviour of the supervisor” (Lee & Koh, 2001, p. 686).

Empowerment disparity refers to the degree of within-group diversity in terms of vertical differences in employee empowerment.

Psychological contract relates to individual beliefs, based upon promises expressed or implied, and is an implicit agreement between an individual and an organisation (Rousseau, 1995, 2004).

Work engagement refers to “a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication, and absorption” (Schaufeli et al., 2002, p. 72).

Interaction quality refers to “the customer’s perception of the combined attitudes, behaviours and expertise of the service employee that shapes the customer’s overall evaluation of their personal interaction with the employee during the service delivery” (Kim et al., 2015, p. 428).

Customer loyalty is a set of customers’ potential behaviours, which includes the intention to purchase from the same company whenever possible and to continue to recommend it, and the maintenance of a positive attitude towards that company (Kandampully & Suhartanto, 2000).

1.6 Thesis Structure

Chapter 2 presents the literature review for the study and proposes the research conceptual framework justified by social psychology and management theories. The review starts with an overview of the research context, the hospitality and tourism industry and its human resource management issues in Thailand. The conceptualisation of empowerment from managers’, employees’ and groups’ perspectives are discussed. Current studies of empowerment in the hospitality and tourism literature are systematically reviewed. The impact of each type of empowerment is then justified, and nine hypotheses are developed. An integrated model of empowerment is presented at the end of the chapter.

Chapter 3 offers a justification of the research methodology used for the study. This chapter starts with a discussion of the research paradigm that guided the study. The research sample for the study, data collection procedures, the chosen measurements, and data analysis strategy are then explained. Ethical considerations according to Auckland University of Technology (AUT) research ethics committee’s guidelines and procedures are presented at the end of the chapter.

Chapter 4 demonstrates the results of the data analysis and hypothesis test results. The restaurants’ characteristics and the profile of the participants are first presented. The reliability and validity of the measurements are examined with a confirmatory factor analysis (CFA) in the AMOS 25 program, the results are then discussed. Descriptive statistics and correlation test results for all the study’s variables are provided, using the SPSS 25 program. The findings of the research hypotheses testing are presented using the HLM 6 program. A summary table and model are provided at the end of the chapter.

Chapter 5 provides a critical reflection of the key findings of the study against the theoretical background and hypothesis development discussed in Chapter 2. Significant contributions of the study are presented and practical implications and recommendations for the industry are provided. Following this, the limitations of the study and recommendations for future research are presented. The conclusion to the study is presented at the end of the chapter.

CHAPTER 2 LITERATURE REVIEW

2.1 Chapter Preview

This literature review is divided into four sections. The first section provides an overview of the Thai hospitality and tourism industry and the nature of human resource issues in the Thai restaurant industry. The second section presents the conceptualisation of and various perspectives relating to empowerment. Psychological empowerment as an individual level construct and empowering behaviour as a management construct are discussed. Empowerment disparity, a new concept, is proposed in this study as a group-level construct. The third section presents a systematic review of empowerment studies in the hospitality and tourism literature, highlighting research gaps to be addressed in this research. The last section discusses the impact of empowerment constructs. Based on the extant findings and relevant theories, three sets of hypotheses are proposed concerning each of empowerment constructs. A research model for the study is provided at the end of this chapter.

2.2 Research Context

2.2.1 The Hospitality and Tourism Industry in Thailand

Hospitality and tourism is one of the most important industries in the world in terms of its impact on the global economy and employment. In 2019, the World Travel & Tourism Council Economic Impact Report (World Travel & Tourism Council, 2020) showed that the travel and tourism sector contributed USD 8.9 trillion to the world's GDP, which accounted for 10.3% of global GDP. It generated 330 million jobs, which accounted for one in ten jobs around the world and one in four of all new jobs created over the past five years. Moreover, the travel and tourism sector experienced 3.5% growth (and ranked 3rd in the world) which outpaced global economic growth of 2.5% for the ninth consecutive year. Performance was remarkably strong across Asia due to the high global travel and tourism GDP growth rate. Specifically, China, India, and the Philippines were the fastest growing and largest travel & tourism economies, with growth rates of 9.3%, 4.9%, and 8.6%, respectively.

Thailand has remained one of the top 15 largest travel and tourism economies for its contribution to its GDP despite a growth rate of just 1.8% in 2019, which shows a

significant drop from 6.0% in 2018 (World Travel & Tourism Council, 2019, 2020). In contrast with the world's other largest travel and tourism economies, where domestic spending is the main driving force, 70% of Thailand's travel and tourism economy comes from international tourists (World Travel & Tourism Council, 2020). According to the World Tourism Organization (2020), Thailand has been one of the top 20 tourist destinations since the first records began in 2005, and has been one of the top 10 destinations since 2015 (see Table 1).

Table 1: Thailand Tourism Profile

Year	International tourist arrivals (millions)	International tourism receipts (USD billion)	World ranking – International tourism
2005	11.6	9.6	18
2010	15.9	20.1	16
2015	29.9	44.9	10
2016	32.5	48.8	9
2017	35.6	56.9	10
2018	38.2	63.0	9

Note. Adapted from <https://www.unwto.org/country-profile-inbound-tourism>. Copyright 2020 by The World Tourism Organization.

Because of Thailand's popularity as a top tourism destination, the hospitality and tourism industry has been a primary source of income for the Thai economy (Department of Business Development, 2019). In 2018, the restaurant industry was the largest segment of the hospitality and tourism industry in Thailand, accounting for 24.7% of the industry's total value, followed closely by the hotel industry (24.3%) (MarketLine, 2020). The restaurant industry is highly competitive due to the low barriers to entry and a novelty advantage, as Thai customers favour restaurants younger than five to six years old (Alcocer, 2017). However, the industry forecast is positive due to increasing urbanisation, higher disposable incomes, and the increased regularity of Thais eating out (Sirikeratikul, 2019). According to the Economic Intelligence Center, Siam Commercial Bank, the most popular activity for Thai people is eating out in restaurants (Syamananda, 2019).

According to the Euromonitor and USDA Foreign Agricultural Service, Thailand has over 100,000 restaurant establishments, which can be divided into three sectors (Sirikeratikul, 2020), as presented in Table 2.

Table 2: Overview of the Restaurant Industry in Thailand

Types of restaurant	Market share	Structures/ characteristics
Quick service restaurants	10%	Dominated by franchises
Full-service restaurants	10%	Independent vs chained
Small restaurants	80%	Small to medium enterprises (SMEs); street vendors, food delivery

Note. Adapted from <https://www.fas.usda.gov>. Copyright 2020 by USDA Foreign Agricultural Service

Quick service restaurants (QSR) have a ten per cent market share of the Thai restaurant industry. This sector is dominated by franchises, of which about 80% are foreign brands (i.e. from the US etc.). The challenge in this sector is customers' increased focus on healthiness and food quality, as QSR food is often perceived as unhealthy. Full-service restaurants represent other ten per cent of the restaurant industry. One-third of this sector is independent full-service restaurants. However, there has been increasing growth in chained full-service restaurants due to increased consumer preferences for convenience, hygiene, and high-quality standards. The largest sector of the restaurant industry is that of small restaurants, which account for 80% of the market share. This sector includes SME businesses, street vendors, and food delivery, which has the highest growth rate. Small to medium establishments have focused on unique niche markets to adapt themselves to the competitive environment (Sirikeratikul, 2020).

2.2.2 Human Resource Management Issues in the Restaurant Industry in Thailand

The hospitality and tourism industry in Thailand has faced two major problems: a high staff turnover rate (Limyothin, 2015), and a shortage of qualified personnel (Lertwannawit et al., 2009). According to the Hewitt Association, Thailand, the turnover rate among Thai hotel employees is around 15% – 21%, which is considered higher than that of other industries (Limyothin, 2015), where the turnover rate is 10% – 20%

(Chulajata, 2019). A study of Thai hotel employees by Ronra and Chaisawat (2010) indicated that the most influential factors affecting employee turnover were insufficient tools and resources, inadequate recognition and reward for services provided, lack of compatibility between salary and responsibilities, and a lack of appropriate salary increases throughout the career path. In the Thai restaurant industry, one of the main reasons for employees to leave their jobs is that they feel meaningless or worthless, as they are often mistreated by their manager, co-workers, and customers (Amarin Academy, 2017).

Despite the increased number of Thai students studying tourism and hospitality management and related subjects, the industry is experiencing a shortfall of well qualified candidates, particularly at the management level (Lertwannawit et al., 2009). Research shows that most Thai managers have insufficient leadership and management skills, and most employees have poor skills (HR in ASIA, 2015; Lertwannawit et al., 2009). Weerakit and Beeton (2018) found that interpersonal skills were among the most critical competencies required for Thai hospitality managers. Tavitiyaman et al. (2014) also found that teambuilding, ethics, leadership, and communication skills were among the most needed features of Thai hotel general managers.

In a review of human resource management issues in the hospitality and tourism industry, Kusluvan et al. (2010) indicated that the human element is one of the most necessary components of service quality, competitive advantage, and organisational performance in hospitality businesses. Extant studies have suggested that employees' attitudes and behaviour towards customers have a significant influence on customers' perceptions of service quality (Hartline & Ferrell, 1996; Parasuraman et al., 1985; Zeithaml & Bitner, 2003). Specifically, employees' reliability, empathy, responsiveness, and competence are essential attributes of highly satisfactory service quality (Chin & Tsai, 2013; Namkung & Jang, 2008). Successfully managing employees' attitudes and behaviour is therefore vital in hospitality and tourism businesses (Kusluvan, 2003b).

Li et al. (2012) noted that engaged employees are the essential element in providing service excellence. Because engaged employees make more effort and show more energy and passion at work, they achieve higher levels of performance and provide superior service (Karatepe & Demir, 2014; Paek et al., 2015). However, the hospitality and tourism industry is known to be complex, challenging, and contradictory (Crick & Spencer, 2011).

It has a reputation for poor human resource management, poor job security, an absence of employee empowerment and participation, demanding behaviour from managers and supervisors, harassment and bullying, poor co-worker attitudes, heavy workloads, long working hours, irregular work schedules with relatively low pay, and a subsequent low quality of life are common (Kusluvan, 2003a; Kusluvan et al., 2010; Zhao & Ghiselli, 2016). Hospitality employees are also subjected to incivility, which leads to absenteeism, lateness to work, feigned sick leave, taking long breaks, and inevitably, staff turnover (Erdogan, 2002). Employees mistreated by their supervisors are more likely to sabotage service, because their psychological contract is breached (Park & Kim, 2019). These characteristics of employment and practices lead to employees having poor commitment to their work and performance (Kusluvan et al., 2010). Hence, achieving employee engagement is challenging in this particular sector (Huertas-Valdivia et al., 2018).

Previous studies have suggested that empowerment is an essential managerial practice in the service industries (Bowen & Lawler, 1992; Fulford & Enz, 1995; Gazzoli et al., 2010; Hancer & George, 2003). Researchers argue that the practice of empowerment, with aspects such as employee participation and involvement, leads to employee job satisfaction, greater feelings of involvement and importance, increased employee self-efficacy, improved employee performance, and greater customer satisfaction (Kusluvan et al., 2010). Brymer (1991) claimed that empowerment provides employees with discretion and autonomy. Klidas et al. (2007) asserted that an empowering management style has a significant effect on employees' empowered behaviour. Managers use empowering behaviour to enhance employees' meaningfulness of work by involving them in decision-making processes, expressing confidence in their performance, and providing them with necessary autonomy (Ahearne et al., 2005). Additionally, managers' empowering behaviour also includes being an example, by providing coaching in areas where it is needed, informing employees about valuable information, showing personal concern for employees, and personally interacting with them (Arnold et al., 2000).

Empowerment increases employees' pride, self-respect, and sense of self-worth, while at the same time reducing absenteeism, illness, and turnover (Ripley & Ripley, 1992). When employees are psychologically empowered, they are likely to have a sense of belonging and engagement with their organisations, which helps them manage their emotions to better satisfy customers (Lashley, 2001). Empowered employees have a tendency to respond more promptly to customer requirements, alleviate complaints, and are more

engaged in service encounters (Lashley, 1999). A recent study has shown that empowered employees are likely to perform well when serving customers (Kim et al., 2017), and improve customer satisfaction (Proenca et al., 2017). Moreover, when employees experience empowerment, they feel more competent in their jobs because they can determine what and how to manage their work to influence the outcomes, consequently, they feel better about themselves and that their work is more meaningful to them (Spreitzer, 1995).

This study posits that employee empowerment is critical in solving human resource management issues and improving customer service quality in the hospitality and tourism industry, particularly the Thai restaurant industry. Researchers suggest that empowerment is best understood as a multilevel construct involving how managers empower the team, how members respond to empowerment, and how members in the same team interact with each other (Honold, 1997; Rappaport, 1987). Therefore, it is important to firstly understand the development of empowerment and how it is understood from different perspectives. The following sections provide background information on the conceptualisation of empowerment and discuss how empowerment is interpreted from multiple perspectives.

2.3 The Concept and Perspectives of Empowerment

The concept of employee empowerment is a popular management movement concerning psychology and management in work settings, in contrast to the “Taylorised” and the bureaucratic system that was earlier established in workplaces (Wall et al., 2004). Frederick Taylor, commonly referred to as the “father of scientific management,” introduced the concept of task management, which was the key to scientific management (Blake & Moseley, 2010). Task management is the process of breaking one large task into several smaller tasks, which ultimately allows the planner to establish the single best method of completing the task (Taylor, 1911). Although scientific task management was very effective in increasing productivity, there was concern over the cynicism it induced in workers, as reflected in absenteeism, conflict, and high labour turnover (Wilkinson, 1998). It is important to note that with the concept of task management, individual workers had poor discretion and involvement, and monetary incentives were considered the only source of human motivation (Blake & Moseley, 2010). Therefore, Mayo (1945), at the forefront of the human relations movement, criticised Taylor’s concept and argued

that interpersonal relationships within a workplace had a stronger effect on productivity, as well as benefiting morale. Continuing with the human relations movement, McGregor (1960) proposed the “Theory Y” management approach, which was in contrast to “Theory X” or Taylorism (Wall et al., 2004). While Theory X assumed that employees disliked work, avoided responsibility, and were motivated entirely by monetary considerations; Theory Y assumed employees had a preference to exercise self-control and meet their needs for self-actualisation by contributing to their workplaces (Wilkinson, 1998).

The notion of empowerment is also manifested in the work of humanist psychologists such as Maslow in his hierarchy of needs model, and in Herzberg’s motivation-hygiene theory (Wilkinson, 1998). Maslow (1943) postulated that humans are motivated according to five needs in a hierarchical order. The lower order needs must be fulfilled before the higher order needs gain prominence. Higher-order needs such as affiliation, self-esteem, and self-actualisation were associated with the concept of empowerment (Tuuli, 2009). Herzberg (1959) identified two factors influencing employee job satisfaction. The first was the hygiene or maintenance factor, which could influence employee job dissatisfaction, included interpersonal relations at work, pay and supervisory conditions, and the physical work environments. The second was motivation factor, which could influence employees’ job satisfaction, included growth and development, task variety, autonomy, and recognition. Later, Herzberg (1966) advanced his work in the theory of work design and proposed the term “job enrichment,” which signified an increase of individual employee autonomy and responsibility. Hackman and Oldham (1976) further developed the job enrichment concept and introduced the job characteristics model of work motivation. In this model, Hackman and Oldham (1976) proposed that the core job dimensions (skill variety, task identity, task significance, autonomy, and feedback) led to several beneficial personal and work outcomes through three psychological states: experienced meaningfulness, experienced responsibility, and knowledge of the results.

The concept of empowerment emerged in its modern form in the late 1980s (Wilkinson, 1998) which became known as the “empowerment era” in the 1990s (Hardy & Leiba-O’Sullivan, 1998). Wilkinson (1998) suggested that the foundation of the empowerment movement was influenced by Peters and Waterman’s best-selling book, *In Search of Excellence*, published in 1982. The key messages, including “productivity through people,” “autonomy and entrepreneurship,” combined with “the customer is king,”

provided the context for empowerment ideas (Wilkinson, 1998). Empowerment was also implicitly promoted through the de-bureaucratisation, delaying and decentralisation management movement by writers such as Drucker (1988) and Kanter (1989). Brymer (1991, p. 59) explicitly explained employee empowerment as “the process of decentralising decision-making in an organisation, whereby managers give more discretion and autonomy to the front-line employees.” Forrester (2000) pointed out that empowerment was a more exacting involvement in making decisions and commitment, rather than simply a part of the process. Wilkinson (1998) suggested that the term “empowerment” as defined by employers, was largely task-based involvement and aimed at operational issues to increase productivity and commitment to employer goals. Ripley and Ripley (1992) argued that empowerment could be a process of enhancing an employee’s belief in their competence or effectiveness. Similarly, Conger and Kanungo (1988) defined empowerment as a process of enhancing feelings of self-efficacy among organisational members through the removal of powerlessness. It was evident that the concept of empowerment was poorly understood and it was unclear whether it even compared like with like (Wilkinson, 1998).

In an attempt to distinguish empowerment from similar concepts such as authority delegation, autonomy, motivation, job enrichment, self-determination, self-efficacy, self-leadership, self-influence, self-management, employee ownership, self-control, high-involvement and participative management, Lee and Koh (2001) concluded that empowerment was a unique concept representing a new managerial approach. The difference between empowerment and the previously understood management concepts was in the core word of “power” (Forrester, 2000). Empowerment recognised the power that people already had in their own wealth of valuable expertise and internal motivation (Randolph, 1995). Wynne (1993) suggested that empowerment can be understood as the power relationship within an organisation that involves a transfer of authority, power, and responsibility from managers to front-line employees. Conger and Kanungo (1988) recommended that power and control, which are at the root of empowerment, could be interpreted as a) a function of the dependence and/or interdependence of actors (i.e., the relative power of one actor over another), or the possession of formal authority or control over organisational resources; and b) motivational and/or expectancy belief states that are internal to individuals to influence and control other people.

As power was interpreted in the literature in two different ways, empowerment can also be viewed in two different ways (Conger & Kanungo, 1988). From the management literature, empowerment can be viewed as a relational construct or behavioural dimension, while from the psychology literature, empowerment can be viewed as a motivational construct or psychological dimension (Conger & Kanungo, 1988; Pelit et al., 2011). Conger and Kanungo (1988) explained that as a relational construct, empowerment was a process by which leaders shared their power or control with subordinates. On the other hand, as a motivational construct, power and control were used as intrinsic motivational states; therefore, empowerment was a process of enhancing feelings of self-efficacy among individuals (Conger & Kanungo, 1988). Lee and Koh (2001) also argued that empowerment could be viewed as two different aspects: the behaviour of a supervisor, and the psychological state of a subordinate. The former reflected the behaviour of a supervisor empowering a subordinate, which is considered the base of empowerment, while the latter was the effect or consequential perceptions of the subordinates. Pelit et al. (2011) suggested that two fundamental approaches to empowerment can be observed: a behavioural dimension, and a psychological dimension. The behavioural dimension is concerned with the role of top management in empowering employees, and the psychological dimension encompasses the perceptions of employees in relation to the behaviour of management and the conditions they provide for them.

Wall et al. (2004), who divided empowerment into four main perspectives, suggested that there were two forms of empowerment: psychological empowerment, and situational or structural empowerment. The former emphasised individual experience or the subjective perspective of one's cognitions of self-determination, competence, and related constructs; the latter was more directly rooted in autonomy and the delegation of added responsibility or influence afforded by the environment within a workplace. Menon (2001) classified empowerment into three categories: structural, motivational, and leadership approaches. The structural approach focused on the act of the powerholder who delegates the power and decision-making authority to less powerful individuals; the motivational approach focused on the psychological state of those being empowered at a given point in time; and the leadership approach focused on the process of energising and inspiring individuals to experience power. Although Menon suggested three approaches to empowerment, it was clear in the definitions that empowerment consisted of two aspects: the powerholder or leader who executed the empowering process, and the subordinates who were being

empowered. These two aspects of empowerment are consistent with the Oxford English Dictionary’s definition of empowerment as “the state or fact of being empowered,” or “the action or an act of empowering.”

The discussion to this point has approached empowerment from two different perspectives: those of empowering and those of being empowered (see Table 3). “Empowering” in this study refers to the behaviour of the powerholders, in most cases leaders or supervisors, who empower their subordinates by sharing, delegating, and enhancing the experience of power. Being empowered refers to the psychological state of the subordinates as manifested in measurable cognitions, which reflects the subjective experience from the powerholders’ empowering behaviour.

Table 3: *Key Characteristics of Employee Empowerment from Different Perspectives*

The empowering	The empowered	Reference
The process by which a leader or manager shares power with subordinates	A process of enhancing feelings of self-efficacy among organisational members	Conger and Kanungo (1988)
Behaviour of a supervisor who empowers his/her subordinates	The psychological state of a subordinate resulting from their supervisor’s empowering	Lee and Koh (2001)
The act of granting power to the person(s) being empowered The process that leads to the experience of power	A psychological state that manifests itself as measurable cognitions	Menon (2001)
The delegation of added responsibility to individuals or groups for the execution and management of their own primary tasks	An experiential or subjective perspective, concerned with individual cognitions of self-determination, competence, and related constructs	Wall et al. (2004)
The role of top management in employee empowering	The perceptions of employees in relation to the behaviour of superiors and the conditions they provide for them	Pelit et al. (2011)

Lee and Koh (2001) advocated that the concept of empowerment should assimilate aspects of behaviour (the empowering) and perception (the empowered). They thus modified the definition given by Spreitzer (1995), and defined *empowerment* as “the

psychological state of a subordinate perceiving four dimensions of meaningfulness, competence, self-determination, and impact, which is affected by empowering behaviour of the supervisor” (Lee & Koh, 2001, p. 686). However, the literature shows that empowerment is not a shared perception, but rather a complex concept which often means different things to different people (Quinn & Spreitzer, 1997). In other words, the experience of empowerment varies from individual to individual (Greasley et al., 2005). As everyone is different, these individual differences that employees bring to the workplace can influence their experience of empowerment (Ripley & Ripley, 1992; Robbins et al., 2002).

Honold (1997) suggested that employee empowerment is multi-dimensional, and relates to how leaders lead, how individuals react, how peers interact, and how work-related processes are structured. Rappaport (1987) argued that empowerment is a multilevel construct concerned about the relationships within and between individuals and groups or organisations. These relationships within team dynamics can influence individuals’ feeling of empowerment (Spreitzer, 1996). Koberg et al. (1999) postulated that group and organisational variables appear to be as important as individual variables in predicting whether people feel empowered. Moreover, Robbins et al. (2002) proposed that models integrating multiple levels of analysis are needed to advance the empowerment literature theoretically and empirically.

Therefore, this study takes into consideration the suggestions of previous studies and investigates the multilevel effect of “the empowering” or how the leaders lead, “the empowered” or how individuals react, as well as how peers interact. As it is important for researchers on empowerment to identify how empowerment should be defined and what perspectives should be adopted (Menon, 2001), the following section discuss each perspective of empowerment used in this study.

2.3.1 Empowerment from Employees’ Perspective: The Empowered

The first perspective of empowerment to discuss in this study is that of the employees or the empowered. This perspective relates to an employee’s experience or perception of empowerment, which is also referred to as “psychological empowerment.” According to the literature, the concept of psychological empowerment was popularised after the publication of *Psychological empowerment in workplace: Dimensions, measurement,*

and validation, by Spreitzer (1995). However, the root of psychological empowerment came from Conger and Kanungo (1988), who suggested that empowerment should be viewed as a motivational process in workers. Using self-efficacy (Bandura, 1977) and expectancy theories (Vroom, 1964), Conger and Kanungo (1988, p. 474) defined empowerment as “a process of enhancing feelings of 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.” In this view, the process of empowerment includes the psychological state of empowering experience, its antecedent conditions, and its behavioural consequences.

Thomas and Velthouse (1990) argued that empowerment should be considered as a type of motivation. Therefore, they extended the work of Conger and Kanungo (1988) and defined empowerment as intrinsic task motivation that involves task conditions that produce motivation and satisfaction. Accordingly, they proposed a cognitive model of empowerment comprising four cognitions: a sense of impact, competence, meaningfulness, and choice, and termed these “task assessments.” These task assessments were believed to be the proximal cause of intrinsic task motivation. They also posited that task assessments were shaped by individual differences in interpretive processes (Thomas & Velthouse, 1990). In the same vein, Spreitzer (1995) used the term “psychological empowerment,” viewing empowerment as a motivational construct and defining it as “a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact” (p. 1444). She relabelled “meaningfulness” as “meaning,” and “choice” as “self-determination.”

Meaning reflected “the value of task goal or purpose, judged in relation to the individual’s own ideals or standards” (Thomas & Velthouse, 1990, p. 672). According to Hackman and Oldham (1980), individuals would experience meaningfulness in their work if they felt the work was meaningful, valuable, and worthwhile. Therefore, Spreitzer et al. (1997) posited that meaning was the engine of empowerment, in which individuals became energised about their work. Competence or self-efficacy reflected an individual’s belief in their ability to perform task activities skilfully (Gist, 1987). Bandura (1977) postulated that expectations of one’s self-efficacy determined coping behaviour, and the level of effort and persistence applied to the given task. Self-determination reflected one’s perception of autonomy or ability to make decisions about actions or behaviours in

relation to tasks (Spreitzer, 1995). Previously labelled as “choice,” Thomas and Velthouse (1990) referred to this as a causal responsibility for one’s actions. This notion was similar to the psychological state of experienced responsibility for work outcomes in the Hackman and Oldham (1980) model, which suggested employees felt personally accountable for the results of the work they did due to the autonomy they held. Impact reflected the degree to which an individual’s behaviour was perceived as making a difference in their task environment (Thomas & Velthouse, 1990). Thomas and Velthouse (1990) suggested that impact was analogous to the knowledge of result in the Hackman and Oldham (1980) model. However, Spreitzer (1996) argued that although a number of the dimensions were similar to elements of the Hackman and Oldham (1980) model, no element of the job characteristic model was consistent with the impact dimension of psychological empowerment.

Spreitzer (1995) argued that these four cognitions (i.e., meaning, competence, self-determination, and impact) together reflected an active rather than a passive essence of employee empowerment. Specifically, employees must experience all four dimensions in order to feel empowered (Spreitzer et al., 1997). She later explained that

If people have discretion to make decisions (i.e., self-determination) but they don’t care about the kinds of decisions they make (i.e., they lack a sense of meaning), they will not feel empowered. Alternatively, if people believe they can make an impact but don’t feel like they have the skills and abilities to do their job well (i.e., they lack a sense of competence), they will not feel empowered as well (Spreitzer, 2008, p. 60).

However, the four-dimensional conceptualisation of psychological empowerment yielded different results in later studies. A study by Fulford and Enz (1995) in private clubs found that while the dimensions of meaning and competence were diverse, self-determination and impact altered into a single dimension, which they named “influence”. The three-dimensional conceptualisation of psychological empowerment (i.e., meaning, competence, and influence) was later confirmed in studies by Sigler and Perarson (2000) in the textile industry, Hancer and George (2003) in the restaurant industry, and Amenumey and Lockwood (2008) in the hotel industry. Examining the restaurant industry, Kim and George (2005) and Kim et al. (2012) found a two-dimensional conceptualisation of psychological empowerment and labelled them “attitude” (meaning and competence) and “influence” (self-determination and impact).

As empowerment was rooted in the concept of employee-experienced power, Menon (2001) proposed three dimensions based on how an individual experienced power, and defined psychological empowerment as a cognitive state characterised by a sense of perceived control, competence, and goal internalisation. However, these dimensions were similar to, or overlapped with Spreitzer's (1995) four dimensions. According to Menon (2001), the first dimension viewed power as perceived control, reflecting beliefs about autonomy. This dimension corresponded to those of self-determination and impact. The second dimension viewed power as perceived competence, which included self-efficacy and confidence regarding the given task, and thus was analogous to the competence dimension. The last dimension viewed power as being energised toward attaining value goals, or the enabling power of ideas, such as a valued cause. Although Menon (2001) argued that the last dimension was not parallel to any dimensions proposed by Spreitzer (1995), it was somewhat similar to the "meaning" dimension, in which individuals became energised about work (Spreitzer et al., 1997).

A number of studies have examined potential antecedents of psychological empowerment. For example, Spreitzer (1996) asserted that organisational contexts such as a wide span of control, strong socio-political support, access to information, and a participative unit climate fostered employees' experiences of empowerment. Chiang and Jang (2008a) found that trust and organisational culture, which were influenced by leadership, influenced psychological empowerment among hotel employees. A meta-analysis conducted by Seibert et al. (2011) reported that contextual antecedents, such as high-performance managerial practices, work characteristics, socio-political support, leadership, and individual characteristic such as positive self-evaluation traits, were strongly related to psychological empowerment. Among these antecedents, leadership-related constructs were those most frequently studied, followed by socio-political related constructs. A review by Maynard, Gilson, et al. (2012) indicated that structural empowerment (a part of high-performance managerial practices in Seibert's study), individual characteristics, work design/characteristics, leadership, and organisational support were important and the most studied antecedents of psychological empowerment. Recently, Matsuo (2019) suggested that task characteristics, such as developmental job experience, and personal factors, such as authenticity, had positive effects on psychological empowerment.

The extant research has shown that psychological empowerment is positively associated with employees' attitudinal and behavioural outcomes, which also positively influence organisational performance. Among the attitudinal outcomes such as job satisfaction, organisational commitment, strain, turnover intention and stress, job satisfaction was the most often studied, and demonstrated the strongest relation to psychological empowerment, which was followed by organisational commitment (Seibert et al., 2011). Previous studies explained that psychologically empowered employees are likely to experience more intrinsic need fulfilment through work, and thus establish higher levels of job satisfaction (Chiang & Jang, 2008a; Hechanova et al., 2006; Spreitzer et al., 1997; Yeh, 2014). Psychologically empowered employees are also more likely to be committed to their organisation (Chiang & Jang, 2008a; Ibrahim, 2020; Yeh, 2014). Empowered employees also feel less stress and have less strain at their work because they feel they are more competent and have more control over their work (Spreitzer et al., 1997).

Various studies have also examined behavioural outcomes of psychological empowerment, particularly job performance, organisational citizenship behaviour, and innovation. For example, Spreitzer (1995) found that psychological empowerment was correlated with managerial effectiveness and innovation behaviour. Spreitzer et al. (1997) later reported a positive association between psychological empowerment and employee effectiveness. Hechanova et al. (2006) asserted that psychological empowerment increased job performance among Filipino service employees. Boshoff and Allen (2000) and Lin (2009) reported that psychological empowerment was associated with employees' service recovery performance. Thakre and Mathew (2020) supported the link between psychological empowerment and organisational citizenship behaviour, as psychologically empowered employees feel more connected to their organisation. In terms of service quality, Geralis and Terziovski (2003) indicated that psychological empowerment is positively related to service quality, which led to customer satisfaction and loyalty.

It is therefore clear that employees' perceptions of empowerment have beneficial effects for both organisations and individuals through increased job satisfaction and work effectiveness, which decrease the tendency to leave the organisation (Koberg et al., 1999). Psychologically empowered employees are less likely to experience feelings of helplessness, insecurity, and stress, and are more likely to have increased feelings of pride, self-worth, and self-respect; hence, they take ownership and can satisfy customers

more quickly (Ripley & Ripley, 1992). Therefore, empowered employees are more likely to perform well in customer service settings (Kim et al., 2017). However, for employees to feel empowered, managers need to share their power through the demonstration of trust, and give opportunities to employees to make relevant job decisions (Greasley et al., 2005). Hence, in this study, psychological empowerment is viewed as the psychological state of subordinates, as manifested in measurable cognitions (e.g., meaning, competence, self-efficacy, and impact), which reflects the subjective experience from the powerholders' empowering behaviour.

2.3.2 Empowerment from Managers' Perspective: The Empowering

The second perspective of empowerment is that of the management (i.e., employers or managers), as they are the empowering agents in organisations. In the early stages of conceptualising empowerment, Brymer (1991) explained that empowerment was the process of decentralising decision-making, with managers giving more discretion and autonomy to customer-contact employees. In this situation, managers play a critical role in determining the amount of autonomy given to frontline employees (Crick & Spencer, 2011). As managers' behaviour is important in influencing and offering opportunities for employees to become empowered (Greasley et al., 2005), this perspective is sometimes referred to as "empowering leadership" or "leader empowering behaviour."

Empowering leadership has been defined in the literature in two ways: *empowering processes* and *empowering behaviour*. For example, Zhang and Bartol (2010) defined empowering leadership as "the process of implementing conditions that enable sharing power with an employee by delineating the significance of the employee's job, providing greater decision-making autonomy, expressing confidence in the employee's capabilities, and removing hindrances to performance" (p. 109). Similarly, Amundsen and Martinsen (2014) referred to empowering leadership as "the process of influencing subordinates through power sharing, motivation support, and development support with intent to promote their experience of self-reliance, motivation, and capability to work autonomously within the boundaries of overall organisational goals and strategies" (p. 489). On the other hand, Konczak et al. (2000) argued that to empower employees, managers should demonstrate the following behaviours: delegation of authority, accountability, encouragement of self-directed decisions, information sharing, skill development, and coaching for innovative performance. Hakimi et al. (2010) used the

term “leader empowering behaviour,” and defined this as the behaviours of leaders that involve the delegation of authority and responsibilities to subordinates. Similarly, Sharma and Kirkman (2015) defined empowering leadership as “leader behaviours directed at individuals or entire teams and consisting of delegating authority to employees, promoting their self-directed and autonomous decision making, coaching, sharing information, and asking for input” (p. 194). In summary, empowering leadership is a specific set of leader behaviours during a process of sharing power and allocating autonomy and responsibilities to followers, teams, or collectives, so employees can experience enhanced internal motivation and achieve work success (Cheong et al., 2019).

The Empowering therefore refers to a set of behaviours characteristic of the powerholders (i.e., leaders or managers) in empowering their subordinates by sharing power or allocating more responsibilities and autonomy to their subordinates, and enhancing the experience of power, which increases employees’ intrinsic motivation (Cheong et al., 2016; Srivastava et al., 2006). However, it does not mean that managers have to surrender their power or control; instead, it involves changing the way power and control are exercised (Ripley & Ripley, 1992), as empowerment is a matter of degree, and not an absolute (Ford & Fottler, 1995). Prior to empowering employees, Conger (1989) suggested that managers should create emotional support by providing a positive emotional atmosphere, rewarding and encouraging in visible and personal ways, expressing confidence in employees’ abilities, fostering initiative and responsibility in employees’ tasks, and building on success through pilot projects. Bowen and Lawler (1992) identified four organisational ingredients managers should share with their employees: information about the organisation’s performance, rewards based on the organisation’s performance, knowledge that enables employees to understand and contribute to organisational performance, and power to make decisions that influence organisational direction and performance (p. 32).

Although the concept of empowering leadership is based on leader support related concepts, previous studies have confirmed that it is a unique and independent construct different from other leadership constructs, such as ethical leadership, shared leadership, transformational/charismatic leadership, participative leadership, path-goal theory of leadership, leader-member exchange (LMX), and self-leadership (see Cheong et al., 2019; Sharma & Kirkman, 2015). The differences lie in the dimensions or measurements used to examine leader empowering behaviour. The most frequently used empowering

behaviour instruments in the empowering leadership literature are the measures developed by Arnold et al. (2000) and Ahearne et al. (2005).

Arnold et al. (2000) established the empowering leadership questionnaire (ELQ), which consists of five key aspects of empowering behaviour: coaching team members to be educated and self-reliant; informing the team about important information regarding their organisation and projects; leading by example, such as working hard and being committed to their work; showing concern/interacting with the team to keep track of what is going on in the team and with their well-being; and fostering participative decision-making by encouraging team members to express their ideas and opinions to help make decisions.

However, Ahearne et al. (2005) argued that the behaviours of empowering leaders should be aligned with the four employee components of empowerment, which were meaning, competence, self-determination, and impact. They identified four dimensions of leader empowering behaviour as enhancing the meaningfulness of work, by leaders helping subordinates align their goals and values with those of the company; fostering participation in decision-making, by leaders involving subordinates in problem-solving processes or when decisions needed to be made; expressing confidence in high performance, by the leaders expressing the belief and confidence that subordinates can handle demanding tasks; and providing autonomy and release from bureaucratic constraints, by enabling and allowing subordinates to decide on their tasks.

From managers' perspective, empowering behaviour is dependent on the extent to which they trust their employees' performance and integrity, and the conscientiousness level of the manager (Hakimi et al., 2010). Trust in subordinates has been found to influence the expression of managers' empowering behaviour (Pan & Wei, 2009a, 2009b, 2010), which influences how employees experience empowerment (Greasley et al., 2005). Previous studies have also suggested that perceived risk could be regarded as another important antecedent of leader empowering behaviour, because if the risk is high, the empowering behaviour may be reduced (Pan & Wei, 2009b, 2010). In contrast, managers with a high level of managerial self-efficacy are more likely to exhibit empowering behaviour, as they are confident in managing the uncertainty and risk arising from empowerment (Pan & Wei, 2009b). A recent study by Tang et al. (2020) indicated that leaders' power distance and their perceptions of team capacity influence the extent to which they engage in empowering leadership. Specifically, leaders with less power distance between them and

their team, and who perceive their team to have effective capacity, tend to exhibit more empowering leadership.

When managers show their empowering behaviour, employees are likely to feel more psychologically empowered, engaged, and exhibit more commitment to their organisation (Konczak et al., 2000). As empowerment aims to enhance employees' beliefs in their efficacy, employees may feel empowered even when they fail to gain desired outcomes, so long as their managers recognise their efforts (Conger & Kanungo, 1988). Because empowerment depends on the actual empowering leadership, managers' empowering behaviour can boost employees' experiences of empowerment; hence, the association with employees' psychological empowerment is likely to be stronger than with other styles of leadership (Fong & Snape, 2015). This notion was evidenced in two recent meta-analyses on the effect of empowering leadership on employee work behaviour (e.g., performance, organisational citizenship behaviour, and creativity; Lee et al., 2017) and employee responses (e.g., employee motivation and resources, attitudes, and performance; M. Kim et al., 2018), and reported that psychological empowerment is the most popular outcome of empowering behaviour.

Although most studies conceptualise empowering leadership at the individual and group-level (Cheong et al., 2019), recently there has been an increasing number of empowering leadership studies at the dyadic and multiple levels. For example, Auh et al. (2014) conceptualised "empowering leadership" at two levels: the individual level (employees' perceptions of the degree to which their managers exhibit empowering behaviour), and the group-level (group's collective and shared perceptions of the manager's empowering behaviour). They found that group-level empowering leadership explained the difference in service-oriented citizenship behaviours in addition to what could be explained by individual level empowering leadership. D. Kim et al. (2018) observed that empowering leadership at the group-level affects employees' subjective well-being and work performance through perceived social support. Aryee et al. (2019) argued that group-level empowering leadership influences employees' service performance through thriving at work. Lin et al. (2019) asserted that top level empowering leadership and middle level leaders' self-efficacy affect middle level empowering leadership, which positively influences employees' psychological ownership and their service-oriented behaviours.

According to the literature, individual level psychological empowerment has been mostly examined as a mediator between the cross-level effect of group-level empowering leadership on outcomes such as affiliative organisational citizenship behaviour and taking charge (Li et al., 2017), and employee cynicism (Lorinkova & Perry, 2017). Additionally, organisational psychological empowerment has also been examined as a cross-level mediator between an organisational empowering environment and individual adaptive performance (Qiu et al., 2017). In this sense, managers with empowering behaviour act as team-level motivators to increase motivation or the sense of being empowered, which is experienced by the team as a whole (Chen et al., 2007).

2.3.3 Empowerment as a Group Dynamic: The Empowerment Disparity

The third perspective of empowerment to discuss in this study is that of the group dynamic. As empowerment is a multilevel construct (Rappaport, 1987), it involves how managers empower a team (i.e. the empowering), how members respond to the empowerment (i.e. the empowered), and how members in the same team interact with each other (Honold, 1997). Concepts of empowerment from the employees' and the managers' perspectives have been widely studied in the management and psychology literature. However, little is known about how the interactions between team members' influences on other employees' perceptions of empowerment.

Most empowerment studies have assumed that employees are motivated in the same way (Lashley, 2001), or have collective perceptions of empowerment (i.e., team empowerment; see Kirkman & Rosen, 1999). Although previous studies have examined how empowerment may be perceived in different contexts, most studies have focused on determining how cultural differences may influence employees' perceptions of empowerment. For instance, after comparing hospitality employees in Canada and India, Gill et al. (2010) reported that hospitality employees in a high power distance culture such as India exhibited lower levels of desire for empowerment than did hospitality employees in low power distance cultures such as Canada. Similarly, Kim et al. (2017) found that although levels of perceived empowerment were lower in a high power distance culture such as South Korea, employees there were more likely to be motivated by empowerment, as they did not take empowerment for granted as did employees in a low power distance culture such as New Zealand. Magnini et al. (2013) noted that hotel workers in a collective

nation such as South Korea, had lower comfort levels with empowerment than did hotel workers in an individualistic nation such as the USA.

Despite the interesting findings, these studies overlooked the fact that everyone is inherently different (Ripley & Ripley, 1992), even with the same cultural background. Moreover, considering the increased mobility of people and organisations, workgroups tend to be more heterogeneous in the future, and the effects of national culture may decrease (Gençer, 2019). Therefore, this study takes into consideration two factors that are missing in the literature: intrapersonal and interpersonal perceptions of empowerment within a workgroup.

Intrapersonal empowerment is an employee's perception of each dimension of empowerment. As explained in the previous section, psychological empowerment is a multidimensional construct consisting of meaning, competence, self-determination, and impact. An employee has to experience all four dimensions to be psychologically empowered; however, how individuals perceive each dimension may vary (Spreitzer, 2008). For example, Employee A may perceive that the job they do is highly meaningful to them despite knowing they have little impact or influence over what happens at work due to their level of skills and discretion. Employee B may feel that the job is not meaningful, and that they have little impact on work outcomes, but they are highly confident in their ability and can work independently. However, Employee C may have high competence to do the job and their actions may significantly influence the work outcomes, but they may have a low level of discretion and meaningfulness related to their work.

Interpersonal empowerment is the exchange among employees within a workgroup regarding their perceptions of empowerment. In organisations, it is expected that interactions among group members in the pursuit of organisational goals can influence their attitudes and behaviours (Kent & Chelladurai, 2003). Through these social interactions, shared meaning and a common understanding of the working environment are likely to be formed (Auh et al., 2014). Moreover, employees within a workgroup can develop their perceptions of empowerment by observing the attitudes and behaviours of those around them (Roseman et al., 2017). New employees may communicate with others for information about norms and standards of behaviour, and evaluate information sources in terms of personal relevance by using similar others for comparison (Festinger,

1954). Hence, employees assess and compare themselves with other group members before determining how and at what level they may perform their tasks (Liden et al., 2006; Liden et al., 2000).

The literature shows that there is a significant difference in perceptions of empowerment based on gender, job position, and tenure (Kruja et al., 2016). For example, Hechanova et al. (2006) reported that men were more empowered than were women when job level and performance were controlled for. Lee et al. (2016) suggested that the longer an employee's tenure, the stronger the effect of empowerment is on job satisfaction. Stavrinoudis and Simos (2016) argued that the older employees are, the more positive their perceptions of empowerment become. Based on previous findings, it is plausible to expect within-group diversity of employees' perceptions of empowerment. Recent studies have suggested that the dynamic nature of workgroups needs to be emphasised for a deeper understanding and better management of workgroup diversity (Karolidis & Vouzas, 2019). According to Van Knippenberg et al. (2007), workgroup diversity is a fact of organisational life that can be associated with both positive and negative outcomes. However, if employees in an organisation value diversity, they may prefer diverse workgroups and identify more with diverse rather than homogeneous workgroups, which may increase the value of the group (Van Knippenberg et al., 2007). Using the same reasoning, an employees' relationship with their team members may have an influence on the dynamics of empowerment in their workgroup (Spreitzer, 1996).

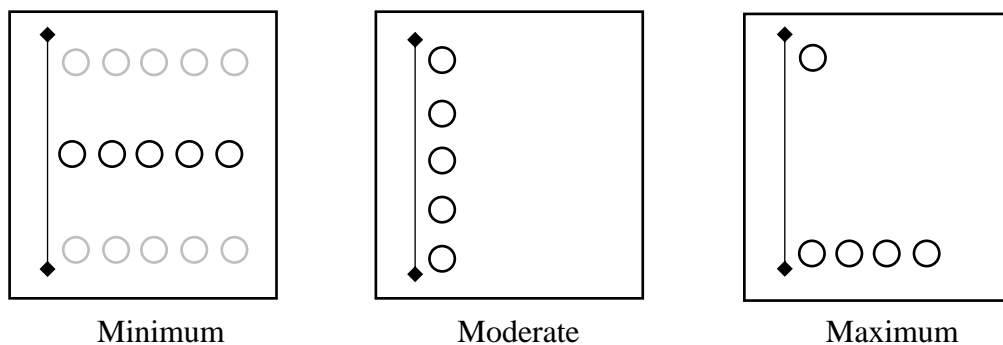
This study proposes the concept of empowerment disparity, a new perspective based on status hierarchy theory (Gould, 2002), which provides a thorough explanation of employee empowerment from a group perspective. To clarify the meaning of diversity within organisation units, Harrison and Klein (2007) defined disparity as within-group diversity in terms of vertical differences in concentration of valued social assets or resources, such as prestige, status, decision-making authority, and social power. Similarly, the Oxford English Dictionary defined disparity as the quality of being different, or the state of being of unequal rank, condition, or circumstances. The notion of vertical differences and unequal rank can also be recognised as *hierarchy*, which was defined by Magee and Galinsky (2008) as "an implicit or explicit rank order of individuals or groups with respect to a valued social dimension" (p. 354). Hierarchy is one of the most vital and predominant forms of social organisation, and allows groups to achieve the high levels of coordination and cooperation essential to ensure survival and success

(Halevy et al., 2011). In this study, *empowerment disparity* refers to the degree of within-group diversity in terms of vertical differences in employee empowerment.

The concept of empowerment disparity derives from the fact that empowerment is often implemented at the group-level, where relationships with co-workers may have a profound effect on perceptions of empowerment (Liden et al., 2000). In any workgroups, the formation of the group by individuals, and their interactions within the group, are crucial (Gençer, 2019). During these social interactions, a within-group hierarchy may emerge quickly and spontaneously (Halevy et al., 2011). Although status hierarchies are predominantly subjective, there tends to be a high degree of agreement about individuals' and groups' positions in status hierarchies (Magee & Galinsky, 2008). This informal status hierarchy offers clarity about who wields influence over whom within a workgroup (Anderson et al., 2006). Accordingly, employees with more psychological empowerment tend to possess higher informal status in a hierarchy, and can influence those with less psychological empowerment, who tend to possess lower informal status within the workgroup.

Figure 1 provides a graphic illustration of three types of empowerment disparity workgroups. A minimum or low empowerment disparity workgroup is a group in which all the employees, unlikely though it may be, have similar levels of psychological empowerment. A moderate empowerment disparity workgroup consists of employees with equally different levels of empowerment. A maximum or high empowerment disparity workgroup is a group in which only one employee possesses a high level of empowerment, and thus outranks other employees in the workgroup.

Figure 1: *Different Empowerment Disparity Workgroups*

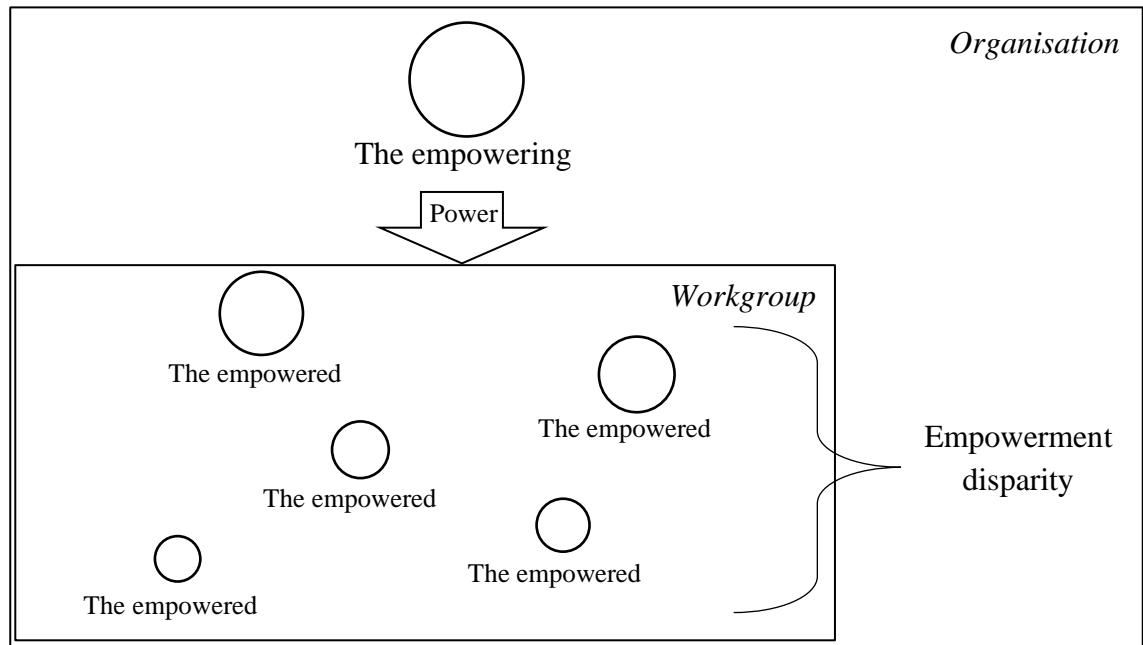


Note. Illustration of employees' perceptions of empowerment within different empowerment disparity workgroups. Adapted from "What's the difference? Diversity

constructs as separation, variety, or disparity in organizations,” D. A Harrison and K. J. Klein, 2007, *Academy of Management Review*, 32(4), p. 1201. Copyright 2007 by the Academy of Management.

In summary, the concept of empowerment within organisations can be understood from three perspectives. The first perspective comes from the management’s point of view, those leaders or managers who hold more power and are willing to share some extent of their power with their subordinates. This type of leader or manager is termed “the empowering.” The second perspective comes from the individual employees, who receive and experience shared power from and with their leaders. They are often referred to as “the empowered.” The third perspective is that of the group, and is newly proposed in this thesis, and termed “empowerment disparity.” Empowerment disparity reflects how individual employees influence others’ perceptions or experiences of power shared by their leaders within their workgroup. Figure 2 illustrates the conceptual structure of empowerment within organisations.

Figure 2: A Conceptual Structure of Empowerment Constructs



Note. The “organisation” represents an empowered hospitality and tourism organisation. The “workgroup” represents a small workgroup of employees nested within an empowered hospitality and tourism organisation. “The empowering” represents the leader or manager of a workgroup, and “power” symbolises the empowering behaviour of the leaders or managers sharing their power to their subordinates within the workgroup. “The empowered” represents a psychologically empowered employee nested within a workgroup, who experiences the shared power from their empowering leader or manager. “Empowerment disparity” signifies a length in which each member perceives a different level of empowerment within the workgroup. The different sizes of the circles symbolise the different levels of power held by individuals; each employee perceives a different level of power, that is, “the empowered” with a larger circle means they perceive a higher level of empowerment.

2.4 A Systematic Review of Empowerment Research in the Hospitality and Tourism Literature

To have a comprehensive understanding of the concept of empowerment in the hospitality and tourism industry, it is necessary to explore how empowerment has been studied in the hospitality and tourism literature. Thus, a systematic review was conducted using the Hospitality & Tourism Complete database as a source of information, because 1) it covers research in all areas of hospitality and tourism since 1965, and 2) it contains more than 828,000 records from more than 490 publications (AUT Library, n.d.). The terms “employee empowerment” and “psychological empowerment” were entered as the keyword searches, and 605 articles were identified on 9th April 2020, dating back to 1979. Three inclusion criteria were used to select articles for this study. These criteria were: 1) peer-reviewed; 2) in an academic journal; and 3) in English. At this stage, 185 research articles published from 1979 to 2020 were identified. Abstracts and a research model of these remaining articles were screened to exclude 1) conceptual papers and non-quantitative studies (N=37), and 2) studies in a non-hospitality-related context such as tourism, government, nursing, and manufacturing (N=77). Finally, 71 empirical studies remained for analysis.

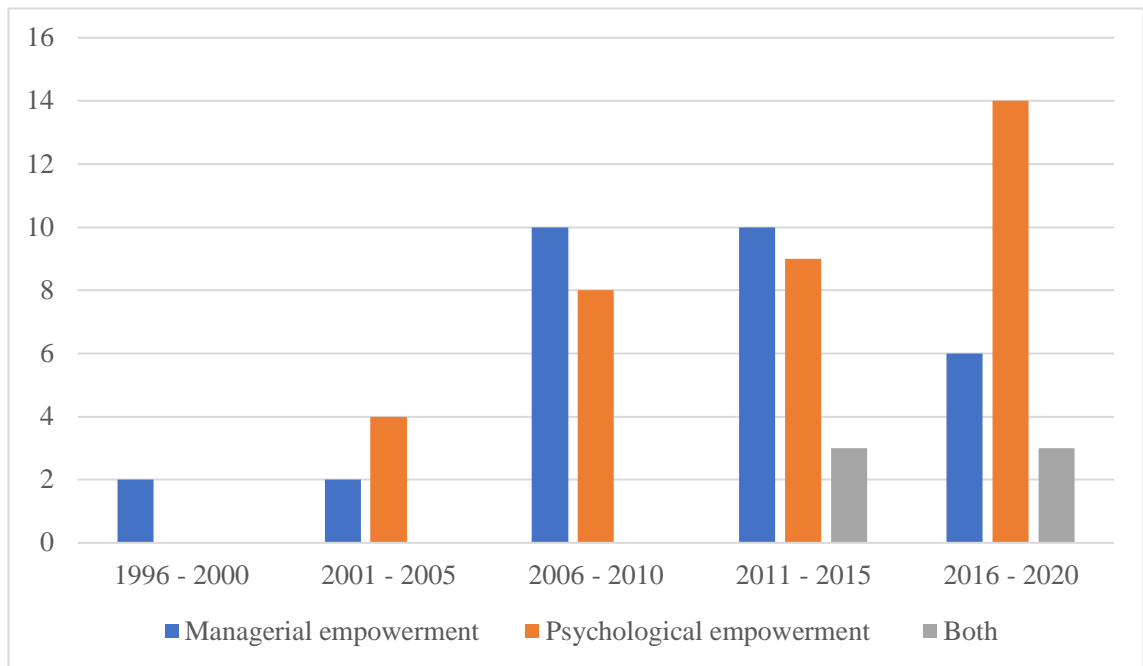
Table 4 presents a summary of empowerment studies in the hospitality and tourism literature. Based on this systematic review, five key findings on how empowerment has been studied in the hospitality and tourism literature were identified.

Table 4: *Literature on Empowerment in the Hospitality and Tourism Literature*

Topics	Themes	No. of studies	Percentage
Concept of empowerment	Psychological empowerment	35	50%
	Managerial empowerment	30	42%
	Both managerial and psychological empowerment	6	8%
Level of analysis	Individual level	70	98%
	Multilevel	1	2%
Outcomes of empowerment (<i>N</i> =52)	Employees' perspective	37	71%
	Managers' perspective	8	15%
	Multiple perspectives	6	12%
	Customers' perspective	1	2%
Study sample	Workers in the hotel industry	38	54%
	Workers in various hospitality-related industries	15	21%
	Workers in the restaurant industry	12	17%
	Workers in other hospitality-related industries	6	8%
Study location	<i>Single location:</i>		
	Asia	24	34%
	Europe	21	30%
	North America (USA)	19	27%
	Africa	1	1%
	<i>Multiple locations:</i>		
	European countries, Middle East and Asia Pacific, USA & South Korea, Germany & China, Canada & China, Canada & India	6	8%

Firstly, the concept of psychological empowerment has dominated empowerment studies and continues to receive increasing attention from researchers in the hospitality and tourism literature (see Figure 3). The focus has been on investigating the outcomes of psychological empowerment and managerial empowerment. In managerial empowerment studies, researchers were interested in managers' empowering behaviour and empowerment as part of their management strategy. As shown in Figure 3, the recent trend in empowerment studies has started to shift from the study of a single concept of empowerment to how managerial empowerment influences psychological empowerment in a combined study.

Figure 3: *Trends of Empowerment Studies From 1996 to 2020*



Secondly, most empowerment studies in the hospitality and tourism literature were examined from an individual level perspective. Although several studies used multi-source data such as supervisor-employee dyads, their purpose was to avoid the common method bias, rather than conducting multilevel analysis. In line with the shift in interest toward combining the two concepts of empowerment in one study, researchers started to examine the effect of both concepts of empowerment from a multilevel perspective. Thirdly, 52 studies were focused on exploring the outcomes of both managerial and psychological empowerment. The majority of these studies investigated the outcomes of empowerment from employees' perspective, while only a few looked at managers' perspective. The effects of empowerment from multiple perspectives were studied less by researchers. Only one recent study showed an interest in examining the consequences of empowerment from customers' perspective.

Fourthly, the understanding of empowerment in the hospitality and tourism literature was mostly understood from hotel workers' perspectives. Although some studies gained insights into empowerment from workers in multiple hospitality-related settings such as hotels, restaurants, and travel agencies, knowledge from the restaurant setting alone was limited. Lastly, current knowledge and understanding of employee empowerment are predominantly based on American contexts, as a quarter of the research was conducted in the USA. Although several studies were conducted in an Asian context, these

empowerment studies were dominated by China and Chinese-influenced countries such as Malaysia and South Korea. Despite the researchers' interests in comparing the concept of empowerment from two or multiple contexts, those studies primarily compared countries such as the USA, China, and India.

Based on these key findings of how empowerment had been examined in the hospitality and tourism literature, a few research gaps need to be emphasised. First, given that empowerment involves both "the empowering" and "the empowered" (see Table 3), it is necessary to examine the impact of empowerment from multiple perspectives to provide a comprehensive understanding of empowerment. Specifically, managerial and psychological empowerment should be integrated (Lee & Koh, 2001), and their impact should be examined from both management's and employees' perspectives. However, the results of the systematic review show that although increasing, there is still limited knowledge of empowerment from multiple perspectives in the hospitality and tourism literature. Many empowerment researchers have claimed that empowerment can improve service quality (e.g., He et al., 2010); however, it is examined less from the perspective of the customers who receive the actual service. Therefore, there is a need to investigate how empowerment influences service quality as perceived by customers, rather than taking only employees' self-reported job performance or managers' evaluations into consideration.

Empowerment also involves how group members interact with each other (Honold, 1997), which is the dynamic nature of a workgroup (Gençer, 2019). These interactions between group members may influence individuals' perceptions of empowerment, which may create the dynamics of empowerment in the workgroup (Spreitzer, 1996). However, it appears that empowerment studies in the hospitality and tourism literature have focused on the collective perspective of empowerment, such as the psychological empowerment climate (Roseman et al., 2017) and the organisational empowerment climate (Lin et al., 2017), rather than the diversity of empowerment. For this reason, it is necessary to integrate the dynamic nature of a workgroup when examining the impact of empowerment.

Considering that empowerment is a multilevel construct (Rappaport, 1987), and most management phenomena exist at multiple levels of analysis (Hitt et al., 2007), it is thus vital to discuss empowerment at multiple levels (Seibert et al., 2004). However,

empowerment studies in the hospitality and tourism literature to date have predominantly advanced linear relationships, and only one study has examined empowerment across levels (see Lin et al., 2017). Empowerment researchers have emphasised that multilevel models should be employed when involving empowerment issues (Chen et al., 2007; Seibert et al., 2004), and meta-analyses have highlighted that relationships involving psychological empowerment are not homogeneous across organisational settings (Maynard, Mathieu, et al., 2012; Seibert et al., 2011). Therefore, it is crucial to scrutinise the impact of empowerment through a multilevel analysis.

A causal mechanism that explains how empowerment influences its outcomes also needs to be explored. This mechanism can be examined through a mediator, as it provides substantive interpretations or stories of the underlying nature of the empowerment and its outcomes (Baron & Kenny, 1986). Moreover, there has been a call for more research to explore potential mediating relationships involving psychological empowerment (Maynard, Gilson, et al., 2012). However, a systematic review revealed that psychological empowerment is generally viewed as a mediator itself. There are only a few exceptional studies (e.g., Chiang & Hsieh, 2012; Kim et al., 2012) that have examined potential mediators. Hence, mediators are needed to clarify the psychological process underlying the relations of psychological empowerment with its outcomes.

Furthermore, Maynard, Gilson, et al. (2012) noted that there is limited knowledge regarding what factors may serve as moderators to both the links between antecedents and psychological empowerment, and the relationship between psychological empowerment and outcomes. Moderators can be situational and contextual factors that may affect the direction and/or strength of the relationship between an independent and dependent variable (Baron & Kenny, 1986). Hence, moderators are needed to explain the inconsistent results in empowerment studies. However, knowledge of moderators in the hospitality and tourism literature is to some extent, limited to that of cultural differences (e.g., Fock et al., 2011; Walsh et al., 2015) and team climate (Lin et al., 2017). As a result, it is critical to assess plausible moderators to enrich scholarly knowledge of empowerment.

Lastly, it is necessary to provide empirical evidence of empowerment from a different context in terms of both the study sample and location. Since most empowerment studies have been conducted in Western cultures using hotel employees as their samples, an

understanding of empowerment from an Eastern perspective seems to be lacking, as well as that of the perspective of restaurant workers.

The discussion to this point indicates that it is important to understand the impact of empowerment from different perspectives. A number of studies have investigated the influence of empowerment in an organisational context. The next part of the literature review synthesises the findings of previous studies to develop the hypotheses for this study.

2.5 The Impacts of Employee Empowerment: Hypothesis Development

2.5.1 The Impact of Psychological Empowerment

Because psychological empowerment is the employee's psychological state manifested in four cognitions which reflects the subjective experience from the leader empowering behaviour, the impact of psychological empowerment in this study can be explained using social exchange theory (SET; Blau, 1964). According to Blau (1964), social exchange refers to the "voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others" (p. 91). Cropanzano and Mitchell (2005) claimed that social exchange theory is among the most effective theoretical approaches to understanding workplace behaviour. Social exchange relationships in organisations develop when employers take care of employees, and in so doing, create beneficial consequences, as employees tend to return the benefits they receive to match the goodwill and helpfulness of their employers (Cropanzano & Mitchell, 2005).

Created by the mutual trust between employees and their employers/supervisors, empowered employees are more effective than are others in enhancing social exchange (Sharma & Kirkman, 2015). Psychologically empowered employees have positive beliefs about themselves, their work, and the workplace; hence, they become more involved and committed to their work (Chiang & Hsieh, 2012), which results in positive job or organisational outcomes (Cropanzano & Mitchell, 2005). Specifically, psychological empowerment enables employees to make themselves fit in their work roles, which in turn stimulates them to put more effort into their tasks and contributes to enhancing overall organisational performance (Janssen, 2004).

In the hospitality and tourism literature, a large number of work outcomes have been associated with psychological empowerment. However, based on the systematic review presented in Section 2.4, it is evident that psychological empowerment has been linked mostly to employees' attitudinal and behavioural outcomes, similar to those found in the work of Seibert et al. (2011). For example, psychological empowerment was found to improve job performance among restaurant employees (Chow et al., 2006) and hotel employees (Chiang & Hsieh, 2012), and increase job satisfaction among hospitality employees (Fock et al., 2011; He et al., 2010; Lee et al., 2016). Specifically, He et al. (2010) posited that psychological empowerment influences employees' perceptions of service quality, which in turn enhances their job satisfaction. However, Lin et al. (2017) argued that once service employees perceive empowerment, it directly influences their service quality.

Perceptions of service quality differ between managers, employees, and customers (Dedeoğlu & Demirer, 2015). However, the systematic review showed that previous studies examined the influence of psychological empowerment on service quality from either the employees' viewpoints (see He et al., 2010) or the managers' evaluations (see Lin et al., 2017). Lu et al. (2015) observed that when focused on the quality of service, customers emphasise staff interactions in terms of being considerate, proactive, and attentive, while managers specify service quality as employees' appearance and friendly attitudes. These findings are consistent with those of Brady and Cronin (2001), who speculated that the most critical indicator of service quality perceived by customers is interaction quality. Given that service quality as perceived by customers is essential for sustaining hospitality businesses (Chin & Tsai, 2013), it is logical to evaluate it from the point of view of the customers who perceive the service. Hence, this study posits that interaction quality is a substantial outcome of psychological empowerment from the customers' perspective.

Since service quality is developed during the service interaction between employees and customers, engaged employees are considered a crucial component (Li et al., 2012) because highly engaged employees are ten per cent more likely to exceed performance expectations (Qualtrics, 2020). The systematic review of the empowerment literature showed that there had been an increased interest in fostering employees' work engagement through employees' psychological empowerment (e.g., Huertas-Valdivia, Gallego-Burín, et al., 2019; Huertas-Valdivia et al., 2018). However, there is limited

evidence and explanations relating to how psychological empowerment influences work engagement in the hospitality and tourism industry. Therefore, this study asserts that work engagement is a critical outcome of psychological empowerment from the employees' perspective. The definition of each outcome, its roles in previous studies, and the development of hypotheses are explained in the following sections.

2.5.1.1 Work Engagement

The concept of work engagement has emerged as a critical element for the success of many businesses (Slåtten & Mehmetoglu, 2011a), as it is associated with employee well-being and performance (Knight et al., 2017) at an employee level and linked to profit at an organisational level (Harter et al., 2002). A recent report showed that businesses with high levels of employee engagement achieve 2.5 times more revenue growth and 40% less staff turnover (Qualtrics, 2020). Since employee work engagement reflects employees' emotional connection to their organisation, they intend to stay with the business and show more dedication to the work itself (Qualtrics, 2020). Engaged employees can be more meaningful in the hospitality and tourism industry than in other non-service industries because the industry is extraordinarily labour intensive (Lee & Ok, 2016) but is also known for its poor working environment, which results in high turnover (Kusluvan et al., 2010).

Work engagement was firstly conceptualised by Kahn (1990, p. 700), who defined it as “the simultaneous employment and expression of a person's ‘preferred self’ in task behaviours that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances.” Employees show signs of engagement when they become physically involved in tasks, whether alone or with others, are cognitively concentrated and responsive, and are emotionally bonded to their work and others in the service of their work. Maslach et al. (2001) subsequently argued that the concept of work engagement should be recognised as the antithesis of job burnout or lack of employee well-being, since it is concerned with employees' psychological and physical well-being at work. Therefore, engaged employees are characterised as energetic, enthusiastically involved in their work, and highly efficient (Leiter & Bakker, 2010), which is directly opposite to the characterisation associated with burnout dimensions (Maslach et al., 2001). The work of Kahn (1990) and Maslach et al. (2001) provided the basic theoretical frameworks for understanding work engagement (Saks, 2006).

However, the most often used definition of work engagement is that of Schaufeli et al. (2002). In their study, work engagement was defined as “a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication, and absorption” (Schaufeli et al., 2002, p. 72). Vigour refers to one’s willingness to invest high levels of energy and mental resilience while facing difficulties at work. Dedication refers to one’s experience of a sense of significance, inspiration, enthusiasm, pride, and challenge at work, and absorption refers to being in a state of optimal experience, fully concentrating and deeply attached to one’s work. Based on these three dimensions, Schaufeli et al. (2002) created the Utrecht work engagement scale (UWES), which has been commonly used to measure the level of work engagement, as it is available in 19 languages (Schaufeli & Bakker, 2010).

The positive relationship between psychological empowerment and work engagement can be explained through the job demands and job resources (JD–R) model (Demerouti et al., 2001). According to the JD-R model (Demerouti et al., 2001), job resources, which refer to physical, psychological, social, or organisational aspects of the job that reduce job demands, are functional in achieving work goals, and stimulate personal growth, learning, and development. In comparison, job demands are the “physical, psychological, social, or organisational aspects of the job that require sustained physical and/or psychological (i.e., cognitive or emotional) effort and are therefore associated with certain physiological and/or psychological costs” (Schaufeli & Bakker, 2004, p. 296). Using this line of reasoning, psychological empowerment can be considered as a psychological resource that can enhance employees’ work engagement.

With the theoretical support from JD-R theory, empirical findings have drawn significant relationships between psychological empowerment and work engagement in different contexts. For example, Ugwu et al. (2014) reported that psychological empowerment and organisational trust positively predict work engagement among Nigerian employees working in commercial banks and pharmaceutical companies. Using multiple samples from healthcare, insurance, and telecommunication employees in India, Jose and Mampilly (2014) supported the notion that work empowerment is predicted by psychological empowerment. Moura et al. (2015) detected a correlated relationship between psychological empowerment and work engagement among Portuguese hotel employees. The most recent study by Tripathi et al. (2021) also asserted that, among Indian hotel employees, empowerment acts as a job-based resource that helps them deal

with the workplace's requirements and become more engaged. Additionally, considering work engagement as the opposite of job burnout, Li et al. (2021) found a significant negative relationship between psychological empowerment and job burnout among Chinese hotel employees.

Based on the findings from the literature and the JD-R theory as discussed, it is logical to expect that psychological empowerment predicts work engagement. Therefore, this study proposes that employees with high levels of psychological empowerment are likely to be more engaged in their work. In contrast, employees with little psychological empowerment are less likely to be engaged in their work. Thus, Hypothesis 1 was proposed.

H1: At an individual level, psychological empowerment has a positive influence on work engagement.

2.5.1.2 Interaction Quality

In the service industry, where service is viewed as an interactive process, human interaction is a critical element of service delivery (Grönroos, 2001; Sureshchandar et al., 2002). Lehtinen and Lehtinen (1991) conceptualised interactive quality as the interplay between a customer and the interactive elements of a service provider, such as interactive persons, interactive procedures, and interactive equipment. As such, customers form their perceptions of service quality during their interactions with contact employees (Bitner et al., 1994; Lashley, 2001). During service delivery, the way employees behave and communicate with customers is a crucial influence on the perceptions customers develop about the service (Grönroos, 1982). The service interaction is particularly important in a restaurant context (Yen et al., 2016) for determining customers' perceptions of service quality since the interactions are more intense than they are in a hotel context (Chang et al., 2020).

Brady and Cronin (2001) introduced a hierarchical model of service quality and suggested that customers form their service quality perceptions based on their evaluation of three dimensions: interaction quality, physical environment quality, and outcome quality. They argued that the reliability, responsiveness, and empathy of service providers were essential attributes of service quality as perceived by customers. Hence, in this model, interaction quality was related to customers' perceptions of excellence in interactions

with service employees during service delivery (Brady & Cronin 2001). Similarly, Kim et al. (2015) postulated that interaction quality referred to “the customer’s perception of the combined attitudes, behaviours and expertise of the service employee that shapes the customer’s overall evaluation of their personal interaction with the employee during the service delivery” (p. 428). Following this line of reasoning, it is evident that customers perceive quality through their evaluations of employees’ attitudes, behaviours, and expertise during service delivery.

Attitudes, according to Fishbein and Ajzen (1975), are psychological tendencies that result from the evaluation of a person or object with some degree of favour or disfavour (Ranjan et al., 2015). Therefore, attitudes may refer to employees’ willingness to help customers (Ekinici & Dawes, 2009; Kim et al., 2015). Hartline and Ferrell (1996) pointed out that attitude was one of the most prominent factors in the determination of service performance. Behaviour refers to employees’ actions to address customers’ requirements or helpfulness (Ekinici & Dawes, 2009), and expertise refers to employees’ competence, skills, qualifications, or knowledge about the service required by customers (Ranjan et al., 2015). According to Gronroos (1984), expertise was also conceptualised as a component of technical service quality and outcome.

Nevertheless, in the empowerment literature, no studies as yet have investigated the relationship between psychological empowerment and interaction quality. The relationship between employees’ perceptions of empowerment and customers’ perceptions of interaction quality can be explained using self-efficacy theory (Bandura, 1977). According to Bandura (1977), self-efficacy affects a person’s determination of whether a coping behaviour can be commenced, how much effort should be expended, and how long it will be continued in the face of difficulties and aversive encounters. In this sense, self-efficacy affects an employee’s task effort, perseverance, conveyed interest, and the level of goal difficulty chosen (Gist, 1987). Therefore, self-efficacy is a superior predictor of the amount of employee behavioural improvement (Bandura & Adams, 1977).

Therefore, this study hypothesises that employees with higher levels of psychological empowerment are likely to provide a better service in terms of interaction quality than employees with lower levels of psychological empowerment. Specifically, employees’ psychological empowerment increases their sense of personal self-efficacy (Conger &

Kanungo, 1988; Lashley, 2000). When employees believe in their efficacy and their central significance in creating a successful service encounter, they can deliver the appropriate emotions, feelings, and behaviours required during the service interaction (Lashley, 2001). During service encounters, empowered employees are willing to delight customers by meeting their expectations (He et al., 2010) and are willing to interact with customers with warmth and enthusiasm (Bowen & Lawler, 1992). Psychologically empowered employees act in response more promptly to customer service needs, take action to rectify complaints, and are more engaged (Lashley, 1999), because they believe they have the ability to meet customers' needs and solve their heterogeneous problems (Chiang & Jang, 2008a). Hence, Hypothesis 2 was proposed:

H2: At an individual level, psychological empowerment has a positive influence on interaction quality.

2.5.1.3 Psychological Contract as a Mediator

A few mediators have been empirically examined to interpret the underlying nature of the relationship between employees' psychological empowerment and its outcomes in a hospitality and tourism environment such as job satisfaction (Gazzoli et al., 2010), organisational commitment (Meng & Han, 2014), and management trustworthiness (Kim et al., 2012). This study proposes that the impact of psychological empowerment on its outcomes is mediated by psychological contract, given that this is a powerful determinant of behaviour in organisations (Rousseau, 1989), and has become a significant tool for managing employment relations (Rousseau & Schalk, 2000).

Psychological contract relates to individual beliefs, based upon promises expressed or implied, regarding an agreement exchange between an individual and an organisation (Rousseau, 1995, 2004). It was firstly called a "psychological work contract," which Argyris (1960) described as a kind of hidden, informal, and implicit understanding between employees and organisations. Morrison and Robinson (1997) pointed out that psychological contract reflects employees' perceptions of their responsibilities and obligations for the mutual benefit of them and their organisation. Psychological contract can also be explained as an employee cognitive state that is subjective and interpretative and can be used to develop and maintain the relationship between an individual and his or her organisation (Taylor et al., 2006). This characteristic of trust and loyalty can be considered as part of relational psychological contract, which concerns the long-term

well-being of the employees, who perceives themselves as assets of the organisation (Gardner et al., 2020).

Extant studies have provided evidence that psychological contract is positively related to employees' organisational commitment, organisational citizenship behaviour (Coyle-Shapiro & Kessler, 2003), work engagement (Soares & Mosquera, 2019) and in-role performance (Chaudhry & Song, 2014; Lu et al., 2016). Psychological contract has been adopted as a linking mechanism between organisations' practices and employees' behavioural and cognitive outcomes. For example, Uen et al. (2009) found that relational psychological contract mediates the relationship between commitment-based HR systems and both in-role and organisational citizenship behaviours. Sobaih et al. (2019) discovered that psychological contract fulfilment mediates the relationship between high-performance human resource management practices and job satisfaction, organisational citizenship behaviours, and job performance. Psychological contract has also been found to mediate the relationship between human resource practices (Abdullah, 2017), leader-member exchange (Henderson et al., 2008), and job performance. The relationship between job satisfaction (Tsui et al., 2013), work-life balance (Kaya & Karatepe, 2020) and job performance are also mediated by psychological contract. Furthermore, Chen and Kao (2011) suggested that psychological contract acts as a mediator between employee work values and service-oriented organisational citizenship behaviour.

Although the relationship between psychological empowerment and psychological contract is rarely examined (except for Kun et al., 2007), Kim et al. (2012) suggested that empowerment can help employees interpret the quality of psychological contract. When employees feel that they are empowered, they exhibit self-evaluation and beliefs about their growth opportunities (Paul et al., 2000), have enhanced trust, and reinforce their obligations and expectations toward the organisation (Kun et al., 2007). Moreover, Chiang and Hsieh (2012) claimed that psychologically empowered employees have positive beliefs about their work and workplaces, and are more involved and committed to their work. Empowered employees who have a sense of ownership in their jobs are more likely to have a positive employment relationship (Lee & Koh, 2001). Hence, being and feeling empowered can influence employees' beliefs or attitudes towards their employment relationships (Osland et al., 2001).

Some studies have concluded that there is a positive relationship between psychological contract and work engagement. Yeh (2012) found that relational psychological contract positively influences work engagement among flight attendants. In considering the dynamics of psychological contract, Bal et al. (2013) used a longitudinal research approach and posited that psychological contract is reciprocally interrelated with work engagement and that such relationships are stronger for those with shorter work tenure. However, a few studies have found that when employees feel that their psychological contract is breached or unfulfilled, they become less engaged in their work (Malik & Khalid, 2016; Parzefall & Coyle - Shapiro, 2011). Because psychological contract provides employees with socio-emotional and developmental support, the employees demonstrate a higher level of work engagement (Soares & Mosquera, 2019). However, when psychological contract is not fulfilled by the employer, employees are likely to respond negatively through disengagement (e.g., less likely to feel dedicated to, vigorous in the performance, or absorbed in their tasks; Lv & Xu, 2018; Van Elst & Meurs, 2016).

In this study, the mediation effect of psychological contract between psychological empowerment and work engagement is explained by social exchange theory (Blau, 1964). In an organisation, social exchange in an employment relationship is influenced by an organisation's fair treatment of its employees (Aryee et al., 2002). This means employees feel obliged to pay back when they receive benefit from the organisation or its agents (i.e., managers or supervisors; Conway & Briner, 2005). On the other hand, if employees feel that the management fails to fulfil its promises, they are less likely to exhibit good task performance (Kaya & Karatepe, 2020). Sharma and Garg (2017) and Sandhya and Sulphrey (2021) observed that psychological empowerment and psychological contract are crucial drivers for employees' work engagement, because employees feel more connected and engaged with the organisation when they have a positive psychological contract with it, and believe they are empowered by it. That is, when employees believe that they can obtain all the necessary resources to do their job (i.e., they are empowered), they feel obliged to engage themselves more profoundly in their job to repay the investment in the resources provided them; this results in their becoming more engaged with their job and workplace (Liden et al., 1997; Macey & Schneider, 2008; Shuck & Wollard, 2010).

Based on the findings from the literature, and the foregoing discussion of social exchange theory, it is expected that psychological contract mediates the relationship between psychological empowerment and work engagement. Thus, Hypothesis 3 was proposed.

H3: Psychological contract mediates the positive influence of psychological empowerment on work engagement.

The impact of psychological empowerment on interaction quality can also be mediated by psychological contract. In addition to explanations by social exchange theory (Blau, 1964), this causal relationship can also be explained by expectancy theory (Vroom, 1964). Expectancy theory is a motivation theory explaining the process that individuals use to make decisions on how they behave (Fudge & Schlacter, 1999). When employees expect that their effort will lead to good performance, they expect to receive a greater individualised and personal reward from their organisation. Using expectancy theory, previous studies have suggested that intrinsic motivation (Chiang & Jang, 2008b) and intrinsic reward expectancies (Lawler & Suttle, 1973) are strongly related to employee performance.

Since psychological contract influences how employees behave at work (Rousseau, 1989), it acts as a predictor of employees' effort, satisfaction, and work performance (Nebeker & Mitchell, 1974; Zhao et al., 2007). When employees feel that their psychological contract has been fulfilled, they are more inclined to perform better (Sobaih et al., 2019). Conversely, if employees feel that their psychological contract has been violated, they may perform poorly (De Clercq et al., 2020). Moreover, employees with a high level of relational psychological contract tend to exceed their role requirements and achieve higher levels of service delivery (Lu et al., 2016). Therefore, it is crucial for organisations to maintain employees' relational psychological contract (e.g., reciprocate the efforts put in by their employees, and reward employees who work hard and exert themselves), as these can enhance their performance in the workplace (Rahman et al., 2017).

Employees who believe they are empowered have more positive emotions (i.e., they have a psychological contract) towards their organisation (Eisenberger et al., 1986); in return, they exhibit positive organisational behaviours that contribute to their organisation's effectiveness (Akgunduz & Bardakoglu, 2017). Specifically, as an intrinsic motivation

factor, psychological empowerment may increase employees' expectations about their opportunities to grow and abilities to contribute to their organisation (Paul et al., 2000), which in turn positively influences employees' attitudes and behaviour during their interactions with the customers (i.e., interaction quality; Kim et al., 2015). Thus, when employees are psychologically empowered, they perceive a positive and healthy employment relationship with their organisation and will return the favour by providing better quality interactions with customers. Hence, Hypothesis 4 was proposed.

H4: Psychological contract mediates the positive influence of psychological empowerment on interaction quality.

2.5.2 The Impact of Empowering Behaviour

Empowering behaviour is based on managers' perceptions of empowerment, which are reflected in a specific set of behaviours that enhance employees' internal motivation, and has been regarded as an effective leadership style for positively increased employee responses, leading to enhanced organisation effectiveness (M. Kim et al., 2018). Managers' empowering behaviour is an essential practice, particularly in a service setting where service is highly customised and strong interpersonal skills are required, as it is needed for determining the implementation of quality service to solve customer problems (Bowen & Lawler, 1992; Harrington & Akehurst, 2000). Empowering managers are required to undertake a greater degree of risk-taking and be willing to accept well-intentioned errors (Cunningham et al., 1996).

A systematic review of empowerment studies in the hospitality and tourism literature revealed that empowering behaviour is categorised as "managerial empowerment" (see Table 4). Despite measuring the empowering behaviour of the managers, many studies conceptualised it as just "empowerment" (e.g., Hartline & Ferrell, 1996; Hartline et al., 2000; Limpanitgul et al., 2017; Ueno, 2008), while more recent studies have applied the concept of "empowering leadership" (e.g., Hon, 2012; Huertas-Valdivia, Gallego-Burín, et al., 2019; Raub & Robert, 2013). In however it was conceptualised, empowering behaviour has been found to be related to positive outcomes, such as prosocial service behaviour (Ackfeldt & Wong, 2006), service quality (Ueno, 2008), creative performance (Hon, 2012), voice behaviour (Raub & Robert, 2013), organisational commitment (Limpanitgul et al., 2017; Raub & Robert, 2013), and work engagement (Huertas-Valdivia, Gallego-Burín, et al., 2019). It was noticed that psychological empowerment,

which is the most popular outcome of empowering behaviour (see M. Kim et al., 2018; Lee et al., 2017), has been rarely studied as an outcome of empowering behaviour in hospitality and tourism literature. In fact, psychological empowerment was regarded as a mediator between empowering leadership and its outcomes (see Huertas-Valdivia, Gallego-Burín, et al., 2019; Raub & Robert, 2013).

Adopting the suggestion that empowering leadership research should articulate appropriate levels of analysis for elements of leadership and their outcomes (Cheong et al., 2019), this study proposes that managers' empowering behaviour have cross-level effects on employees' psychological empowerment and their psychological contract. The relationships can be explained by affective event theory (AET: Weiss & Cropanzano, 1996) and social information processing theory (Salancik & Pfeffer, 1978). As a useful conceptual tool for understanding leadership (Cropanzano et al., 2017), affective event theory emphasises the role of work events as proximal causes of affective reactions (Weiss & Cropanzano, 1996). That is, events (e.g., affective experiences) happen to people at work, and people often react (in behaviours and attitudes) emotionally to these events. Since managers often represent the organisation, employee reactions to managers' behaviours can be considered as a response to the whole workplace (Kim & Beehr, 2020). Amundsen and Martinsen (2014) showed that while empowering leadership referred to the actions taken by a leader to delegate decision-making powers to subordinates, psychological empowerment considered the reactions of subordinates to that power. Moreover, previous studies have pointed out that empowering efforts by leaders cannot be successful if the employees do not experience that power psychologically (Menon, 2001; Raub & Robert, 2010). As such, empowering behaviour can be considered as an affective event in the workplace and employees' psychological experience of empowerment is the affective reaction.

However, when incorporating empowering behaviour and psychological empowerment into their models, previous studies examined how employees perceived their managers' empowering behaviour and how they perceived psychological empowerment (see Huertas-Valdivia, Gallego-Burín, et al., 2019; Huertas-Valdivia et al., 2018; Namasivayam et al., 2014; Raub & Robert, 2013). Randolph and Kemery (2010) suggested that this could cause the same source bias, as managers may intend to convey one thing with their managerial empowerment behaviours, but employees may perceive or interpret this differently. Therefore, this study argues that it would be more reasonable

to investigate empowering behaviour from managers' own perceptions, rather than from employees' perceptions.

Given that organisations are multilevel dynamics of social systems (Kozlowski & Klein, 2000), where employees are nested in workgroups, which in turn are nested in larger organisational units (Hitt et al., 2007), multilevel models should be employed when involving empowerment issues that are multilevel in nature (Chen et al., 2007; Rappaport, 1987; Seibert et al., 2004). Moreover, considering that empowering behaviour is aimed specifically at empowering individual employees (Ahearne et al., 2005; Arnold et al., 2000), employees may be influenced by how their group members respond to a manager's empowering behaviour, which may trigger a group-level effect (Fong & Snape, 2015). That is, group members may assess their manager's empowering behaviour not only according to how the manager behaves towards them individually, but also how he or she behaves towards the group (Srivastava et al., 2006).

The multilevel influence of empowering behaviour on psychological empowerment can be explained using social information processing theory (Salancik & Pfeffer, 1978), which suggests that employees process and interpret information in a workgroup setting by observing and socialising with other group members. Auh et al. (2014) used social information processing theory to justify the cross-level effect of a group's collective and shared perceptions of a leader empowering behaviour and service-oriented citizenship behaviours. They explained that an employee who feels that their supervisor does not exhibit empowering behaviour may yet demonstrate service-oriented citizenship behaviours if their group as a whole shares the perception that the supervisor shows empowering behaviour. Similarly, Fong and Snape (2015) suggested that group-level empowerment may explain incongruity in employee outcomes since subordinates of an empowering manager might be influenced not only by the dyadic relationship with the manager but also by the dynamics of being a member of an empowered group.

Based on the findings from the literature, affective event theory (Weiss & Cropanzano, 1996), and social information processing theory (Salancik & Pfeffer, 1978) as discussed, this study proposes that across levels, managers' empowering behaviour positively influences employees' psychological empowerment. That is, employees in a workgroup in which managers are highly empowering, are more likely to be highly psychologically empowered. In contrast, employees in a workgroup in which managers are less

empowering are likely to be less psychologically empowered. Thus, Hypothesis 5 was proposed.

H5: At a group-level, empowering behaviour has a positive influence on psychological empowerment.

Contemporary organisations want and need employees who are emotionally attached to their work and eager to do everything they can to provide for their organisations' success (Park et al., 2017). A recent study indicated that managers play a more important role than does the organisation in influencing employees' psychological contract (Shi & Gordon, 2020). When employees believe that they are being treated ethically through the empowering behaviour of their managers, they feel a need to reciprocate with satisfactory behaviour (Elsetouhi et al., 2018). This study thus recognises that psychological contract is also an affective reaction to empowering behaviour, which is an affective event at work.

A meta-analysis study by M. Kim et al. (2018), found that despite being less studied, attitudinal outcomes show a stronger correlation to empowering behaviour than performance outcomes. Moreover, trust in the leader presents the strongest correlation, since empowering behaviour contributes to creating compelling interpersonal relationships with subordinates, and ultimately triggers higher levels of trust in and satisfaction with their leaders. When employees feel that they are trusted by their leaders, and therefore feel empowered and supported, they are more likely to perceive that their psychological contract is fulfilled, which will lead them to perform better (Wu & Chen, 2015). Similarly, empowering leaders are willing to provide a wealth of opportunities for their subordinates to invest themselves in work outcomes, thereby helping them gain a sense of connectedness with their organisation (Kim & Beehr, 2017). Empowering leaders permit and inspire employees to manage their own work behaviours (Srivastava et al., 2006), which can create a sense of ownership amongst employees (Bester et al., 2015).

In a workgroup, through social information processing, if employees perceive managers as setting a good example or being a role model, treating employees equally, and sharing participation power with employees, then employees are more likely to feel trusted by these managers, and perceive that their psychological contract is being fulfilled (Wu & Chen, 2015). Therefore, it is logical to predict that employees in a workgroup where

managers are highly empowering are more likely to have a high level of psychological contract or fulfilment than do those in a workgroup where managers are less empowering. Thus, Hypothesis 6 was proposed.

H6: At a group-level, empowering behaviour has a positive influence on psychological contract.

2.5.3 The Impact of Empowerment Disparity

To provide a comprehensive understanding of the impact of empowerment in a dynamic working environment, this study proposes that empowerment disparity has a moderating role that reflects the group dynamics of empowerment. Status hierarchy theory (Gould, 2002) has been suggested and adopted to support sets of hypotheses associated with disparity (Buengeler et al., 2020; Harrison & Klein, 2007). According to the theory, people immediately find their status within groups based on information about group members' competence or expertise through interpersonal interactions (Buengeler et al., 2020; Cohen & Lotan, 2014). Status determines evaluations and performance expectations of group members and the distribution of participation, influence, and prestige within workgroups (Berger et al., 1972). According to Gould (2002), status hierarchies within a workgroup result from a self-fulfilling process in which individuals' social evaluations are sensitive to the evaluations of others or the self-validating character of social judgements.

Within diverse workgroups, members interact in the pursuit of a given task or goal, and certain patterns of observable events evolve as a consequence of the various attributes of the group members (Karolidis & Vouzas, 2019). Mark (2018) posited that status hierarchies underpin a group's discussion of how to achieve a cooperative goal and the interaction activity by which they achieve consensus on a ground plan of action. Simpson et al. (2012) explained that status hierarchies help to organise collective actions by harmonising how much and when group members should contribute to group efforts. In this sense, status differentiation can not only assist groups to solve management problems, but also other problems created by cooperative action, such as sequencing contributions in prolific ways, and preventing free riding. Therefore, a clear status difference between team members can increase comfort with working relationships, and reduce the abuse of power (Mark, 2018).

While Kilduff et al. (2016) noted that status hierarchies could be a source of discrimination and disadvantage for those of lower rank, Gould (2002) argued that they could also serve as an important role in incentivising individuals (both high- and low-status group members) to make contributions to group goals. Despite being in a lower-status or a higher-status position, employees' reactions depend on the status hierarchy stability (Zink et al., 2008). That is, whether employees believe that their position and the social hierarchy could be changed or not influence their responses to their position within that hierarchy. When social hierarchies are unstable, lower-status members become more proactive, goal-directed, and risk-seeking, while higher-status members become more reactive, defensive, and distracted (Bunderson & Reagans, 2011).

Halevy et al. (2011) identified five ways in which status hierarchies facilitate organisational success, particularly in high task-interdependence environments and where the status hierarchy differentiation is legitimate. They recognised that status hierarchies can 1) create a psychologically fulfilling atmosphere; 2) motivate performance through hierarchy-related enticements; 3) capitalise on the complementary psychological effects of having versus lacking power; 4) support division of labour, and, as a result, coordination; and 5) reduce conflict and enhance voluntary cooperation (Halevy et al., 2011). Given that the hospitality industry is labour intensive with an exceptional level of teamwork necessitated to meet customer expectations (Pizam & Shani, 2009), empowerment disparity in a status hierarchy in terms of empowerment may also have a positive impact on the workgroup.

Based on the findings from literature and the status hierarchy theory (Gould, 2002) as discussed, this study proposes that empowerment disparity moderates the cross-level effect of empowering behaviour on psychological empowerment. Specifically, in a high empowerment disparity workgroup, where employees within the group have empowerment status differences, the positive effect of empowering behaviour on psychological empowerment is stronger. In contrast, the positive effect of empowering behaviour on psychological empowerment may be weaker in a low empowerment disparity workgroup. The reason for this is that in a low empowerment disparity workgroup, most group members have a similar level of psychological empowerment; hence, empowering behaviour may not be sacred. In a high empowerment disparity workgroup, employees with low status may see empowering behaviour as a significant source of motivation. They may perceive that despite having low status, they are as

valuable and are empowered as other employees with higher status in the workgroup. Moreover, they may view it as an opportunity to move up to a higher status in the workgroup. Thus, Hypothesis 7 was proposed.

H7: At a group-level, empowerment disparity moderates the positive influence of empowering behaviour on psychological empowerment, and the influence is stronger when the empowerment disparity is greater.

Using the same line of reasoning, this study proposes that empowerment disparity also moderates the individual level effect of psychological empowerment on psychological contract. In a high empowerment disparity workgroup, where employees within the group have empowerment status differences, the positive effect of psychological empowerment on psychological contract is stronger. In contrast, the positive effect of psychological empowerment on psychological contract may be weaker in a low empowerment disparity workgroup.

Given that psychological contract is based on the patterns of expectation and obligations of each employee and organisation (Sandhya & Sulphrey, 2021), in a low empowerment disparity workgroup, group members observe that they have a similar level of psychological empowerment (regardless of whether that is high or low); hence, they have a similar level of expectations of and obligations to the organisation. In a high empowerment disparity workgroup, employees with higher status, who also have a higher level of psychological empowerment, tend to have higher expectations of and obligations to the organisation. The reason is that they experience more power and autonomy at work, feel more meaningful while working, and also feel more confident about themselves, perceiving that they have more impact at work; thus, they have a greater sense of ownership of the organisation. Conversely, employees with lower status, who experience a lower level of psychological empowerment, may have lower expectations of the organisation but may still feel obliged to contribute to the workgroup. Thus, Hypothesis 8 was proposed.

H8: At a group-level, empowerment disparity moderates the positive influence of psychological empowerment on psychological contract, and the influence is stronger when the empowerment disparity is greater.

2.5.4 The Contribution of Interaction Quality to Customer Loyalty

To demonstrate the importance of customers' perceptions of interaction quality, this study also examines the extent to which interaction quality influences customer loyalty. Customer loyalty refers to "a deeply held commitment to rebuy or re-patronise a preferred brand or service consistently in the future, thereby causing repetitive same brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (Oliver, 1997, p. 392). Thus, a loyal customer is one who purchases from the same company whenever possible, continues to recommend it, and maintains a positive attitude towards that company (Kandampully & Suhartanto, 2000). Loyal customers are desirable for businesses, as an increase of just five per cent of loyal customers can almost double profits (Reichheld & Sasser, 1990). The literature shows two main approaches to customer loyalty: behavioural and attitudinal (Kandampully et al., 2015). Behavioural loyalty refers to repeat purchases or purchase sequences, while attitudinal loyalty refers to the intention to repurchase and recommend (Kandampully & Suhartanto, 2000).

Many studies have suggested that service quality is associated with customer satisfaction, which increases customer loyalty (e.g., Caruana, 2002; Nunkoo et al., 2017). However, other studies have argued that service quality as perceived by customers is directly and positively related to customer loyalty (e.g., Bloemer et al., 1999; Kim et al., 2015). For example, Kim et al. (2015) noted that restaurant customers' evaluations of interaction quality influence their perception of service quality, which influence their loyalty. Similarly, using examples from the accommodation sector, Chen et al. (2013) discovered that of physical environment quality and personal interaction quality factors, only personal interaction quality has a positive influence on customer loyalty. Given that in a service setting, customers' perceptions of service quality are based on employees' competence, responsiveness, and empathy during the service interaction (Aaker, 2001), this rapport built during the service interaction is vital in determining customer satisfaction and loyalty (Kandampully et al., 2015). Additionally, a recent meta-analysis

of the service profit chain also provides evidence of a direct and positive link between employee service quality and customer loyalty (Hogreve et al., 2018).

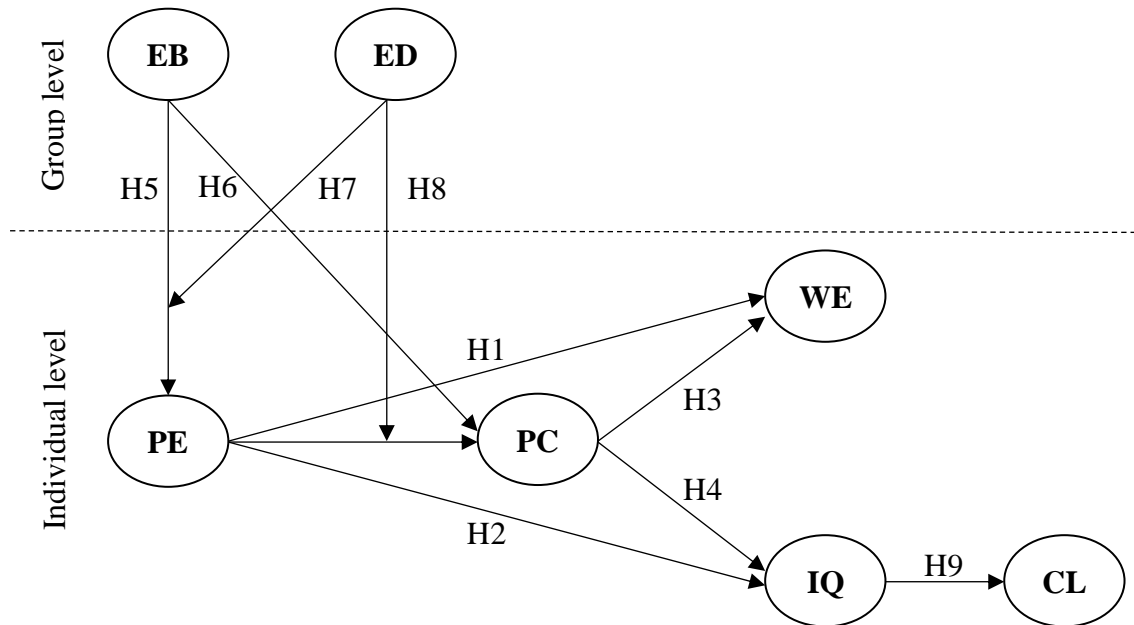
Expectation-disconfirmation theory (Oliver, 1980) posits that customers can be either satisfied (confirming) or dissatisfied (disconfirming) based on a comparison of their expectations and perceptions of service quality. Customer expectations of service may be affected in various ways, such as by past experiences, word-of-mouth communications, or marketing promotions (Ekinici et al., 2008). Hence, during the service interaction, customers compare their perceptions of service quality and confirm whether their expectations are met or not. Once expectations are met, customers who perceived better service quality are likely to be more loyal, more likely to return, spread positive word-of-mouth, and be willing to pay more (Baker & Crompton, 2000).

Based on the findings from the literature and the expectation-disconfirmation theory as discussed, interaction quality influences customer loyalty. Therefore, this study proposes that customers with a positive (or high) evaluation of interaction quality during the service interaction (because their expectations are met) are more likely to be loyal to the business. In contrast, customers with a negative (or low) evaluation of interaction quality (because their expectations are not met) are less likely to be loyal to the business. Thus, Hypothesis 9 was proposed.

H9: Interaction quality has a positive influence on customer loyalty.

Figure 4 presents the conceptual model for this study based on the arguments provided in the literature review. Applying three key theories (social exchange theory, affective event theory, and status hierarchy theory), a total of nine hypotheses were developed.

Figure 4: *The Proposed Conceptual Framework*



Note. PE = psychological empowerment; PC = psychological contract; WE = work engagement; IQ = interaction quality; CL= customer loyalty; EB = empowering behaviour; ED = empowerment disparity.

- H1: At an individual level, psychological empowerment has a positive influence on work engagement.
- H2: At an individual level, psychological empowerment has a positive influence on interaction quality.
- H3: Psychological contract mediates the positive influence of psychological empowerment on work engagement.
- H4: Psychological contract mediates the positive influence of psychological empowerment on interaction quality.
- H5: At a group-level, empowering behaviour has a positive influence on psychological empowerment.
- H6: At a group-level, empowering behaviour has a positive influence on psychological contract.

- H7: At a group-level, empowerment disparity moderates the positive influence of empowering behaviour on psychological empowerment, and the influence is stronger when the empowerment disparity is greater.
- H8: At a group-level, empowerment disparity moderates the positive influence of psychological empowerment on psychological contract, and the influence is stronger when the empowerment disparity is greater.
- H9 Interaction quality has a positive influence on customer loyalty.

CHAPTER 3 RESEARCH METHODS

3.1 Chapter Preview

The aim of this study is to examine an integrated model of the impacts of empowerment, encompassing the perspectives of multiple stakeholders such as employees, managers, and customers, in organisational dynamics. Given the conceptualisation of the integrated model presented in Chapter 2, this chapter aims to justify all aspects of the research methods used to examine the model. These aspects are discussed in six sections. The first section presents the research paradigm along with the ontology and epistemology that guided the study. The second section explains the target population, the selection of the sample, and the sample size, and the third section describes the process of the pilot test and the data collection procedures. The fourth section presents different versions of the questionnaire and clarifies the measurements used for each construct. The fifth section discusses the data analysis strategy used to examine the model, which includes the evaluation of the measurement model via AMOS 25, the analysis of descriptive statistics and correlation via SPSS 25, and the hypothesis testing via HLM6. The last section highlights ethical considerations according to AUT's research ethics guidelines and procedures.

3.2 Research Paradigm

According to Guba and Lincoln (1994), a research paradigm is the basic belief system or worldview that guides a researcher and is based on ontological, epistemological, and methodological assumptions. Ontology refers to beliefs about the nature of reality. Epistemology refers to the relationship between researchers and research participants and what counts as knowledge (Gray, 2018), and the methodology is the theory underpinning the process of gathering and analysing data in order to discover the reality (Grant & Giddings, 2002; Veal, 2006). The ontological assumption underpins a specific epistemology and therefore constrains the research methodology (Grant & Giddings, 2002).

This study aims to provide a comprehensive understanding of the concept of empowerment and to examine its impact from multiple perspectives in organisational dynamics. The aim reflects the researcher's belief that reality exists independently of an individual's consciousness and that there are patterns and rules of employee behaviour to

be discovered. The researcher also believes that employee behaviour is similar in all organisations; thus, the truth can be generalised. Bryman (2012) indicated that organisations and cultures exist externally to the actors within them, and have an almost tangible reality of their own, which people have to learn, so they can apply the appropriate rules and regulations. Hence, this study adopted an objectivist ontological position, which assumes that reality exists external to and independent of social actors (Saunders et al., 2012), and it is the researcher's task to discover this objective truth (Gray, 2018).

Holding a specific ontological assumption constrains the epistemological position in research (Grant & Giddings, 2002). Consistent with objectivism, this study adopted a positivist epistemological position, which holds that the methods of the natural sciences can be used to discover social reality (Bryman, 2012). According to positivists, knowledge is to be discovered so that it can explain, predict, and control events, and create law-like generalisations (Grant & Giddings, 2002; Saunders et al., 2012). For positivists, reality is represented by objects that are considered to be real, and thus, only observable behaviour can provide credible data or facts (Saunders et al., 2012). Positivist researchers focus on the importance of objectivity, systematic and detailed observation, and testing of hypotheses using statistics (Grant & Giddings, 2002). Following this positivist epistemology, this study aimed to capture the perceptions of managers, employees, and customers, as objectively and scientifically as possible.

Since the goal of a positivist is to develop and statistically test a hypothesis of cause and effect (Grant & Giddings, 2002), a hypothetical-deductive approach (Veal, 2006) was adopted for this study. Deductive research begins with a theory and collects data to test or verify the hypothesis, then refine the theory to make more sense of the world (Bryman, 2012). The key characteristic of deductive research is that the concepts need to be operationalised and measurable in numeric form so statistical analyses can be applied (Grant & Giddings, 2002; Saunders et al., 2012). Thus, a questionnaire survey consisting of previously operationalised measurements was employed as a quantitative method in this study. This method ensured that the researcher is value-free and independent of the data, and hence it is consistent with the objectivist ontology and positivist epistemology (Saunders et al., 2012). Moreover, the main benefit of using a questionnaire survey is in the generalisability of results from a random selection of samples to other situations or contexts (Gray, 2018).

3.3 Research Sample

The restaurant industry has been selected as a study context because it is fundamental to all hospitality and tourism environments (DiPietro, 2017). Furthermore, interactions between customers and employees are more intense in a restaurant setting than in other sectors in the industry (Chang et al., 2020). As this study examines the impact of empowerment from multiple perspectives, the target population included people working in table service restaurants in Thailand: management level and customer-contact employees, and their customers.

While Hoyle (1995) suggested that the sample size should be at least between 100 and 200 cases, Hair et al. (1995) recommended that 200 - 400 cases are desirable for sufficient estimations. Veal (2006) further suggested that the minimum sample size can be calculated by multiplying the number of measurement items by five. The most important sample of the study was the customer-contact employees. There were 44 items in the questionnaire related to employees, which would make the minimum sample size 220 customer-contact employees. However, in a multilevel study such as this, the main problem is the sample size at the group-level, as it is always smaller than the individual level sample size (Maas & Hox, 2005). Busing (1993, as cited in Maas & Hox, 2005) suggested that for accurate group-level variance estimates, more than 100 groups are needed. In practice, 50 groups are the typical sample size in organisational research, and 30 groups are the smallest acceptable sample size (Maas & Hox, 2005). Kreft (1996) recommended a 30/30 rule - a sample of at least 30 groups with at least 30 individuals per group, and a 50/20 rule - about 50 groups with about 20 individuals per group. These rules of thumb recognise that there are costs attached to data collection, so if the number of groups increases, the number of individuals per group may decrease (Hox et al., 2018). In other words, it is more important to have a large number of groups than a large number of individuals per group. To adequately test the multilevel hypotheses, the minimum number of individuals per group is three (Henderson et al., 2008; Lin et al., 2017). Therefore, this study targeted a minimum sample of 30 restaurants, 220 customer-contact employees, and 660 customers.

Bryman and Bell (2011) also suggested that time and cost are the most important considerations of data collection. Thus, a representative sample needs to be carefully selected for investigation in order to generalise the findings from a quantitative study

(Bryman & Bell, 2011). Therefore, this study applied a convenience area sampling technique to determine a possible representative sample for the study. Five large provinces were selected in the sample, to represent the northeastern, central, and southern subcultures of Thailand: Khon Kaen, Mukdahan, Ubon Ratchathani, Bangkok, and Phuket. Bangkok is the capital city of Thailand, Phuket is one of the main tourist destinations, Khon Kaen and Ubon Ratchathani are among the main education provinces in the northeast as well as the transportation hubs, and Mukdahan is one of the main cross-border business locations.

3.4 Pilot Test and Data Collection Procedure

Three versions of the questionnaire were developed: the managers' version containing predictor variables was conducted first, then the employees' version with both outcome and predictor variables, and then the customers' version containing outcome variables. As the participants in this study were Thai, the questionnaire was translated into Thai using conventional translation and back-translation method by Brislin (1980) to ensure equivalence of meaning and translation accuracy. The questions and instructions were first translated into Thai by the researcher, then, a Thai friend helped with the Thai wordings. A bilingual friend, with a TESOL (Teaching English to Speakers of Other Languages) qualification who had lived in New Zealand for over ten years, then translated them back to English. Some wordings were compared and adjusted in the Thai version. The first translated version of the questionnaire was then ready for the pilot test.

Pretesting the questionnaire instrument is important to ensure the questions can be understood by the respondents and there are no problems with the wording and measurements (Sekaran & Bougie, 2016). Gray (2018) pointed out that because a questionnaire survey can gather large-scale data in a short period of time, it is very important to make sure the questions are accurate and easy to complete. The pilot test of this study was conducted using Thai restaurants in central Auckland as a source of samples; this produced five Thai restaurant managers, ten Thai customer-contact employees, and 20 Thai customers. All were asked to complete the questionnaire and identify any issues regarding the following aspects as suggested by Gray (2018): instructions given to respondents; style and wording used throughout the questionnaire; sequence or flow of questions; and scales and question format used, including possible choices of responses. However, a problem arose due to the sample's English language

ability; most of the respondents for the pilot test were English students or familiar with English and had few problems understanding the translated version. Specifically, they were aware that the questionnaire was originally written in English. If they found the questions confusing, they automatically made a guess in English. Hence, a second pilot test was conducted in Thailand with the help of three friends: a human resource manager, a university lecturer, and the secretary of the Khon Kaen Restaurant Association. Their responses were reviewed and the questionnaire was amended to ensure accuracy and ease of completion. The final translated version of the questionnaire was then ready for the actual data collection, which ran from August to October 2019.

The most important part of this study was collecting matching data from managers, customer-contact employees, and their customers. To ensure both an appropriate number of respondents and a high quality of data received from those respondents, the data collection process was as follows.

First, restaurant managers with either direct or indirect personal connections with the researcher were approached, via a site visit and phone calls, to explain the aim of the study. They were then asked for permission and support to conduct research in their restaurants. A total of 71 restaurant managers from five provinces were approached, and of these, 56 agreed to participate in the study. The managers' questionnaire was administered during this stage. The managers were then asked to arrange a meeting to enable the researcher to meet their employees to explain the aim of the study and recruit respondents, within a week after the completion of the managers' surveys. A few days later, the researcher contacted the managers again, to follow up on the arrangement with their employees.

Customer-contact employees from the participating restaurants were then approached with the help of the restaurant managers. During this stage, the researcher explained the aim of the study and answered any questions or concerns raised by employees. Only those employees who were willing to participate in the research would receive the questionnaire package and instructions about the survey. In each package, there was one employees' questionnaire and ten customers' questionnaires with matching coded envelopes, which employees were asked to distribute to their customers. Employees completed their own questionnaires first, then put them in the envelopes, sealed for confidentiality, and left them in a collection box provided by the researcher. The employees then distributed the

remaining questionnaires to their second and last customers of each day, to avoid any bias. They were instructed to approach these potential respondents on their arrival at the restaurant, and invite them to participate in the study by providing them with the information sheet (see Appendix B.f.) and questionnaire package. Only customers willing to participate in the research received the matching questionnaire to complete. They were also instructed to put their responses in the envelope provided, seal it for confidentiality, and put the envelope in the collection box provided by the researcher on their departure. At this stage, 341 employees volunteered to participate in the study.

Third was the follow-up stage. One week after distributing the employees' questionnaires, the researcher contacted the restaurant managers for feedback on the procedure. At this time, five restaurants were unable to continue with the study; three restaurants were flooded badly, and two restaurants had received negative responses from customers when distributing the survey. Consequently, the study collected matching data from 51 restaurant managers, 287 customer-contact employees, and 2,136 customers.

3.5 Measurements

As stated in the previous section, there were three versions of the questionnaire: the managers' version, the employees' version, and the customers' version. In order to ensure the validity and quality of data collected, measurements from previous empirical research were used, although some measures were adapted to the Thai restaurant context. Unless otherwise stated, all variables were measured using a 7-point Likert scale to be consistent with previous studies: 1 = *strongly disagree*, 2 = *disagree*, 3 = *somewhat disagree*, 4 = *neutral*, 5 = *somewhat agree*, 6 = *agree*, and 7 = *strongly agree*.

3.5.1 The Managers' Version of the Questionnaire

This version of the questionnaire (see Appendix B.a.) contained one independent variable, which was empowering behaviour. Demographic background questions such as those on age, gender, marital status, educational and hospitality backgrounds, as well as job tenure and industrial experience. Additionally, questions on restaurant characteristics such as the type of restaurant, management style, and size of the restaurant both in terms of number of employees and number of customers were also included.

Empowering behaviour: Although there are many empowering behaviour instruments, as discussed in Chapter 2, these instruments evaluate managers' empowering behaviour from the employees' perspective. Therefore, this study used the 8-item scale developed by Hartline et al. (2000), in which managers were asked to rate their level of agreement with each statement; this reflected their empowering behaviour. The measurement items included in this scale are presented in Table 5.

Table 5: *The Measure of Empowering Behaviour*

-
1. I allow employees complete freedom in their work
 2. I permit employees to use their own judgment in solving problems
 3. I encourage initiative in my employees
 4. I let employees do their work the way they think best
 5. I assign tasks, then let employees handle them
 6. I turn employees loose on a job and let them go to it
 7. I allow employees a high degree of initiative
 8. I trust employees to exercise good judgment
-

3.5.2 The Employees' Version of the Questionnaire

The questionnaire for customer-contact employees (see Appendix B.b.) contained one independent variable and two dependent variables. This independent variable also worked as a dependent variable for the managers' survey to avoid common method bias. The demographic information gathered was also the same as in the managers' version of the questionnaire.

Psychological empowerment: The 12-item psychological empowerment scale developed by Spreitzer (1995) was used for this study. This scale contains four dimensions of psychological empowerment: meaning, competence, self-determination, and impact. The measure was selected because of its high level of reliability, given that it had been validated in a meta-analysis by Seibert et al. (2011). Moreover, the systematic review of empowerment studies in the hospitality and tourism literature in Chapter 2 provided an insight into the extensive use of Spreitzer's (1995) psychological empowerment scales. Table 6 provides the measurement items included in this scale.

Table 6: *The Measure of Psychological Empowerment*

Meaning

1. The work I do is very important to me
2. My job activities are personally meaningful to me
3. The work I do is meaningful to me

Competence

1. I am confident about my ability to do my job
2. I am self-assured about my capabilities to perform my work activities
3. I have mastered the skills necessary for my job

Self-determination

1. I have significant autonomy in determining how I do my job
2. I can decide on my own how to go about doing my work
3. I have considerable opportunity for independence and freedom in how I do my job

Impact

1. My impact on what happens in my work is large
 2. I have a great deal of control over what happens in my work
 3. I have a significant influence over what happens in my work
-

Psychological contract: To measure employees' perceptions of their psychological contract, the 9-item scale developed by Raja et al. (2004) was used. This was a shortened scale of relational psychological contract based on the seminal work of Millward and Hopkins (1998). The scale also presented a high level of convergent validity with the original psychological contract measurement developed by Rousseau (2000). The measurement items of this scale are provided in Table 7.

Table 7: *The Measure of Psychological Contract*

1. I expect to grow in this restaurant
 2. I feel part of a team in this restaurant
 3. I have a reasonable chance of promotion if I work hard
 4. To me working for this restaurant is like being a member of a family
 5. The restaurant develops/rewards employees who work hard and exert themselves
 6. I expect to gain promotion in this restaurant with length of service and effort to achieve goals
 7. I feel this restaurant reciprocates the effort put in by its employees
 8. My career path in the restaurant is clearly mapped out
 9. I am motivated to contribute 100% to this restaurant in return for future employment benefits
-

Work engagement: The Utrecht Work Engagement Scale-9 (UWES-9) modified by Schaufeli et al. (2006) was used for this study. A meta-analysis by Knight et al. (2017) indicated that most studies used the UWES when examining work engagement. The scale contains three dimensions of work engagement: vigour, dedication, and absorption. A 7-point Likert scale was used, in which employees were asked to choose: 0 = *never*, 1 = *almost never/ a few times a year or less*, 2 = *rarely/ once a month or less*, 3 = *sometimes/ a few times a month*, 4 = *often/ once a week*, 5 = *very often/ a few times a week*, and 6 = *always/ every day*. Table 8 shows the measurement items included in this scale.

Table 8: The Measure of Work Engagement

Vigour

1. At my work, I feel bursting with energy
2. At my job, I feel strong and vigorous
3. When I get up in the morning, I feel like going to work

Dedication

1. I am enthusiastic about my job
2. My job inspires me
3. I am proud of the work that I do

Absorption

1. I feel happy when I am working intensely
 2. I am immersed in my work
 3. I get carried away when I am working
-

Empowerment disparity: Harrison and Klein (2007) recommended that when researchers specify one type of diversity but operationalise another, they can draw erroneous conclusions from their analyses. Since this study conceptualised within-group diversity of psychological empowerment as disparity, the most appropriate operationalisation of this conceptualisation was through the coefficient of variation (CV), which is the division of the standard deviation by the mean of psychological empowerment (Harrison & Klein, 2007).

3.5.3 The Customers' Version of the Questionnaire

The questionnaire for customers (see Appendix B.c.) contained two dependent variables: interaction quality and customer loyalty. Demographic background questions such as age, gender, educational background, current work status and monthly income were included.

Behavioural information, such as the number of people who accompanied the respondent on this particular visit, and the frequency of visits, was also included.

Interaction quality: To measure customers' evaluations of interaction quality, the 9-item scale developed by Brady and Cronin (2001) was used. This is a multi-dimensional scale that investigates employees' attitudes, behaviours, and expertise. This measure was selected as it was one of the most frequently cited and comprehensive frameworks for service interaction quality (Ranjan et al., 2015). The measurement items included in this scale are presented in Table 9.

Table 9: *The Measure of Interaction Quality*

Attitude

1. I can count on the employees at the restaurant being friendly
2. The attitude of the restaurant's employees demonstrates their willingness to help me
3. The attitude of the restaurant's employees shows me that they understand my needs

Behaviour

1. I can count on the restaurant's employees taking actions to address my needs
2. The restaurant's employees respond quickly to my needs
3. The behaviour of the restaurant's employees indicates to me that they understand my needs

Expertise

1. I can count on the restaurant's employees to know their jobs
 2. The restaurant's employees are able to answer my questions quickly
 3. The employees understand that I rely on their knowledge to meet my needs
-

Customer loyalty: The 5-item scale developed by Ryu et al. (2012) was used to measure customer loyalty in terms of behavioural intention. These items were chosen because they captured customers' revisit and recommendation intentions, particularly in the restaurant context. The items in this scale are provided in Table 10.

Table 10: *The Measure of Customer Loyalty*

1. I would like to come back to this restaurant in the future
 2. I would consider revisiting this restaurant in the future
 3. I would recommend this restaurant to my friends or others
 4. I would say positive things about this restaurant to others
 5. I would encourage others to visit this restaurant
-

Control variables: Although there were three sources of data, only two levels were considered for the analysis: managers' data represented the group-level or level 2, and employees' data represented the individual level or level 1. Customers' data were considered as the dependent variable in response to the employee individual level, to avoid common method bias. Therefore, at the group-level, the control variables were manager age, manager gender, manager job tenure, and group size (number of employees). At the individual level, the control variables were employee age, employee gender, and employee job tenure.

3.6 Data Analysis Strategy

Three software packages were used to analyse the data: The Statistical Package for the Social Sciences (SPSS) version 25, the Analysis of Moment Structures (AMOS) version 25, and Hierarchical Linear Modelling (HLM) version 6. Three stages of data analyses were performed after inputting the collected data into the SPSS software. The data analysis started with the examination of the measurement model using AMOS 25. Descriptive statistics and correlation tests were later conducted using SPSS 25. All study hypotheses were analysed using HLM 6.

3.6.1 Measurement Model

The first stage of data analysis for this study was to evaluate the measurement model. The measurement model is also referred to as a "confirmation factor model," which specifies how well the latent factors or constructs are related to the measured items (Hox, 2010). Neuman (2011) pointed out that reliability and validity are fundamental issues in all measurements when connecting measures to constructs. Measurement reliability refers to the dependability or consistency of the findings produced by the measured items under identical or very similar conditions. There are two ways of reporting reliability tests. Cronbach's alpha is typically and traditionally used to report the internal

consistency/reliability of measured items, where values higher than .70 are acceptable (Kline, 2016). However, there are limitations when using this reliability test, as it is number sensitive and tends to underestimate the internal consistency reliability. Thus, Hair et al. (2017) suggested using composite reliability (CR), which takes into account the different outer loadings of the indicator variable but tends to overestimate the internal consistency reliability, and reporting both Cronbach's alpha and CR when considering the reliability of measurements. Measurement reliability was an important indicator when choosing the measurement for this study. Although the selected measure had been tested for its reliability, it was crucial to conduct a reliability test before further analysis. Taking suggestions from Hair et al. (2017), this study tested and reported both Cronbach's alpha and CR, representing the lower bound and upper bound respectively. Cronbach's alpha was firstly examined in SPSS 25. Composite reliability was calculated using a product of the confirmation factor analysis (CFA) in AMOS 25.

Measurement validity refers to the goodness of fit between the conceptual and operational definitions (Neuman, 2011). According to Sekaran and Bougie (2016), there are three types of validity tests: content validity, criterion-related validity, and construct validity. Content validity indicates how well the dimensions of a concept have been delineated, and criterion-related validity represents the ability of the measure items to differentiate among individuals on a criterion it is expected to predict. Lastly, construct validity deals with the accuracy of measurements: how a set of measured items accurately reflects the theoretical latent construct those items were designed to measure. This study used existing measures in which content validity and criterion-related validity were not the main concern. Thus, the focus for measurement validity for this study was construct validity as it was based on the actual results of the collected data (Nardi, 2014). Brown (2006) and Hair et al. (2014) recommended using CFA as a primary objective to assess construct validity. The results of CFA can provide evidence of the convergent and discriminant validity of theoretical constructs (Brown, 2006). Convergent validity indicates that multiple measures of the same constructs operate in the same way, while discriminant validity indicates the opposite concept (Neuman, 2011). To report the relative amount of convergent and discriminant validity among measured items in this study, factor loading and average variance extracted (AVE) were estimated using CFA in AMOS 25. An estimate size of .5 or higher is acceptable for factor loading, which indicates the quality of the convergent validity of that item. For AVE, which indicates

how much the construct explained the variance of its indicators, a value of .5 or higher is desirable.

According to Hair et al. (2014), the validity of the measurement model also depends on the level of goodness-of-fit, which indicates how well the proposed model fits the collected data. Traditionally, the chi-square statistic (χ^2) and degrees of freedom (*df*) have been used to report a model's fitness. The chi-square test is the test of differences between the observed and estimated covariance matrices. Degrees of freedom reports the amount of mathematical information used to estimate model parameters, which is based on the size of the covariance matrix or the number of indicators in the model. However, both tests rely on the sample size and measurement items in the model, which becomes less useful when the sample size is large, and the models are more complex. Thus, multiple fit statistics were developed and reported in addition to chi-square values and degrees of freedom to help understand how well a model truly fits the collected data. There are three classes of goodness-of-fit index: absolute fit indices; incremental or comparative fit indices; and parsimony fit indices. Brown (2006) and Hair et al. (2014) recommended reporting at least one statistical test from each class to provide sufficient information to evaluate a model.

Absolute fit indices assess how well the proposed model fits the collected data (Hair et al., 2014). The most essential absolute fit index is the chi-square statistic. Another absolute fit index is the goodness-of-fit index (GFI), which is less sensitive to sample size. Goodness-of-fit is calculated from the proportion of covariance between the measured variables of the proposed model. A GFI value of greater than .90 is considered a good fit. Although the use of GFI has declined recently due to the development of other fit indices, this study reported GFI to represent the absolute fit index, as suggested by Hair et al. (2014). Incremental fit indices, also referred to as "comparative fit indices," assess how well a proposed model fits, compared to some alternative, nested baselined model (Hair et al., 2014). The most widely reported incremental fit indices are the comparative fit index (CFI) developed by Bentler (1990), and the Tucker-Lewis index (TLI) developed by Tucker and Lewis (1973). The CFI compares the fit of the proposed model to a null model and is one of the most widely used indices because of its high efficiency in assessing comparative fit (Bentler, 1990). The TLI compares the fit of the proposed model to both a null model and an ideal model. Bentler (1990) suggested that CFI and TLI values between .90 and .95 indicate an acceptable model fit. However, Hu

and Bentler (1999) argued that CFI and TLI values close to .95 or greater indicate a good fit. This study reported both CFI and TLI to represent the incremental fit indices. Parsimony fit indices, sometimes considered as “absolute fit indices” (Brown, 2006), provide information about which model is best, considering its fit when compared to its complexity (Hair et al., 2014). The most widely reported and recommended index is the Root Mean Square Error of Approximation (RMSEA) developed by Steiger and Lind in 1980 (Brown, 2006). The RMSEA assesses how well the proposed model fits a population. With 95% confidence, an RMSEA value between .03 and .08 represents an adequate model fit (Hair et al., 2014). Hu and Bentler (1999) suggested that an RMSEA value close to .06 or below indicates a good model fit. This study reported the RMSEA as the last goodness-of-fit index in order to assess the fitness of the proposed measurement model.

3.6.2 Descriptive Statistics and Correlation Test

Descriptive statistics describe the main features of the collected data by providing a simple summary relating to the respondents and the measured variables (Seymore, 2012). In this study, participant data were summarised in the form of frequencies, which are the main descriptive statistics used with discrete data (Larson, 2006). The characteristics of the participating restaurants, such as management style, types of restaurants, and size, were first analysed. Since this study collected data from three sources (managers, employees, and customers), the descriptive statistics were summarised separately. Respondents’ demographic information such as their gender, age, marital status, educational background, job tenure, and industrial experience for the restaurants’ insiders (managers and employees) were then analysed. The restaurants’ outsiders or the customers’ demographic information, such as gender, age, education, work status, monthly income, and their dining behaviours, were analysed last.

For the measured variables in this study that were continuous variables, three classes of descriptive statistics were used: location statistics – using arithmetic mean; dispersion statistics – using standard deviation; and shape statistics – skewness and kurtosis statistics (Larson, 2006). Skewness and kurtosis statistics were also used to evaluate the assumptions of normality, which were required for HLM regression (Kline, 2016; Lin et al., 2017). Another descriptive statistic applied in this study was the Pearson’s correlation coefficient (Pearson’s r) as it is the most widely used statistic when describing the

relationship between variables (Chen & Popovich, 2002). The value of Pearson's r can range from 0 to 1 for a positive relationship and from 0 to -1 for a negative relationship; the weaker the relationship, the closer the value is to 0 (Bryman, 2012). Moreover, Raudenbush and Bryk (2002) suggested that correlations between variables must be examined before conducting HLM analysis.

Although this study collected data from three sources, only two levels of analysis were involved. The first level, or level 1, was of the individual employees and their customers' responses. The second level or level 2, was the group-level, represented by the managers' responses. Thus, a correlation analysis was conducted for each level separately. At level 1, correlation coefficients were analysed between the employee control variables (age, gender, and job tenure), employee variables (psychological empowerment, psychological contract, and work engagement), and aggregated customer variables (interaction quality and customer loyalty). At level 2, correlation coefficients were analysed for between-group control variables (manager age, manager gender, manager job tenure, and group size), the independent variable (empowering behaviour), and the moderator variable (empowerment disparity). Upon completion of this second stage of data analysis in SPSS 25, all the hypotheses were ready to be tested using HLM 6 in the final stage of the data analysis strategy.

3.6.3 Hypothesis Testing

Since the data for this study were hierarchical in nature, all hypotheses were analysed using the hierarchical linear modelling (HLM) approach. While previous approaches used disaggregation and aggregation techniques to analyse hierarchical data, HLM offers the same advantages of disaggregation and aggregation without the same disadvantages (Woltman et al., 2012). According to Raudenbush and Bryk (2002), HLM is a preferred method for hierarchical or nested data for several reasons. First, HLM provides a solution to the aggregation bias as it separates level 1 and level 2 components and takes both levels of regression relationships into account. Thus, HLM allows investigation of the relationship between predictors and outcomes at both a specific hierarchical level and across levels. Second, considering the dependency among the individual-within-group, HLM provides unbiased and efficient estimates and standard error estimates for each level, although the nested data may be unbalanced. Third, HLM enables a test for

homogeneity of regression even when the relationship between individual predictors and outcomes varies across organisations.

Two separate files were prepared in SPSS 25 before importing them into HLM 6. The level 1 file consisted of employee control variables (age, gender, and job tenure), employee responses (psychological empowerment, psychological contract, and work engagement), and aggregated customer responses (interaction quality and customer loyalty). The reason for aggregating the customer responses instead of analysing them as a separate level was because this study focused on the employees' outcomes, and not those of the customers. The customers' responses were used as the outcome variable of the employees' to avoid the same source bias. However, to assure the reliability of the result, this study conducted a multilevel analysis where customer responses were at level 1 and employee responses were level 2. The results yielded no significant difference. Thus, this study continued the analysis using the aggregated customer responses as the employee outcomes at level 1. The level 2 file consisted of group control variables (manager age, manager gender, manager job tenure, and group size), manager responses of empowering behaviour, and empowerment disparity, and the interaction term of empowering behaviour and empowerment disparity. Empowering behaviour was mean centred before being multiplied with the empowerment disparity to create a cross-level moderation "EB x ED." Although Jose (2013) pointed out that there was no difference between centring or not centring before the multiplication, the former presented more comparable figures across the study.

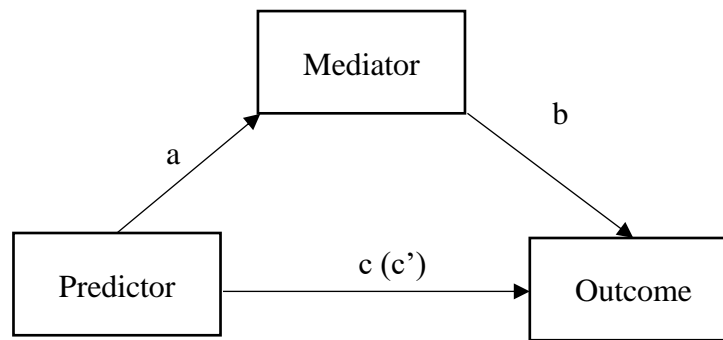
Since SPSS files were not fully supported in HLM6, these SPSS files were converted to STAT (statistical modelling software) transport versions and then imported into HLM 6. An MDM (mobile device management) file was created with all the study variables, and missing data were deleted only when running the analysis. Due to a small group sample of 51 (see Maas & Hox, 2005) and highly unbalanced level 1 data, the study applied the restricted maximum likelihood estimation. Control variables at both levels were entered uncentred since they were dummy variables. Level 1 predictors were entered with grand-mean-centring to reduce multicollinearity problems (see Hofmann & Gavin, 1998). Level 2 predictors were also entered with grand-mean-centring.

Two models were created for each hypothesis to examine the direct effect. Model 1 included control variables at both levels and the outcome variable, to examine the within-

group (σ^2) and between-group (T) variance, which enabled calculation of the interclass correlation coefficient (ICC). The ICC represents the theoretical maximal amount of the total variance in the outcome that could be explained by the level 2 factors (Raudenbush & Bryk, 2002). In Model 2, the predictor variable was included in addition to all the variables from Model 1. A regression coefficient was estimated, and its significance was used to confirm the hypothesised relationship. To measure the effect size, the variance (R^2) was used. The deviance statistic was used to assess the improvement in the model fit of the hypothesised predictor; the lower the deviance, the better the fit (Raudenbush & Bryk, 2002).

To examine the mediation and moderation hypotheses, this study adopted the procedures outlined by Baron and Kenny (1986), who suggested a four-step procedure (see Figure 5) to examine the mediation effect under the condition that all three variables are correlated with each other. The predictor was psychological empowerment, the mediator was psychological contract, and the outcome variables were work engagement and interaction quality. Jose (2013) suggested that an acceptable correlation for all variables should be below .70. Once this condition was met, the next four steps could proceed, with each model representing a step. Model 1 represented the first step, to examine the significant effect of psychological empowerment on work engagement, and interaction quality (Path c). Model 2 represented the second step, to examine the significant effect of psychological empowerment on psychological contract (Path a). Model 3 represented the third step, to examine the significant effect of psychological contract on work engagement, and interaction quality (Path b). If the first three models were significant, the last step could proceed. Model 4 represented the fourth step, to re-examine the effect of psychological empowerment on work engagement, and interaction quality, while controlling for psychological contract (Path c). The focus of this step was the effect of psychological contract on work engagement, and interaction quality (Path b). If this effect became nonsignificant, then there was no mediation effect. If this effect were significant, but the effect of psychological empowerment on work engagement and interaction quality became nonsignificant, then there was a full mediation effect. If this effect were significant and the effect of psychological empowerment on work engagement and interaction quality also remained significant but reduced, then there was a partial mediation effect.

Figure 5: Mediation Model

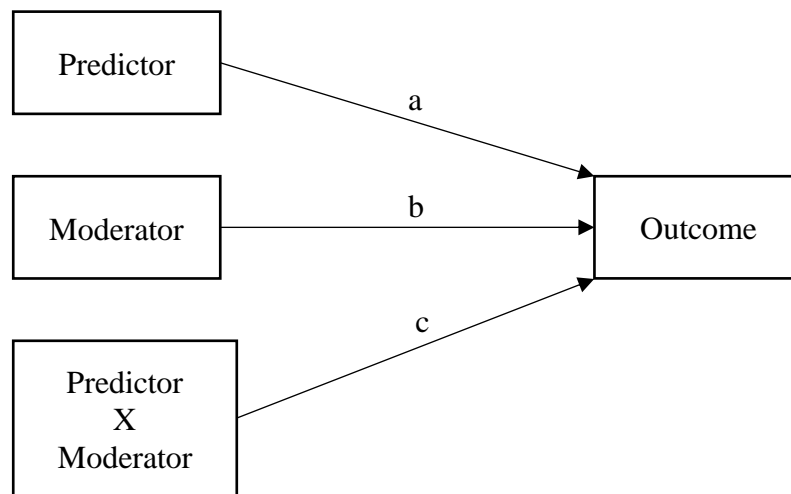


Note. This model illustrates the four-step procedure for mediation analysis. Adapted from “The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations,” by R. M. Baron and D. A. Kenny, 1986, *Journal of Personality and Social Psychology*, 51(6), p. 1176. Copyright 1986 by the American Psychological Association, Inc.

Figure 6 presents the three-step moderation procedure suggested by Baron and Kenny (1986). Two moderating effects were hypothesised in this study. The predictor variables were empowering behaviour (EB) (L2) and psychological empowerment (PE) (L1). The moderator variable was empowerment disparity (ED) (L2), and the interaction terms were EBxED (L2) and PExED (L1). The outcome variables were psychological empowerment (L1) and psychological contract (L1). Unlike the correlated condition suggested to test the mediation effect, in order to test the moderation effect, the moderator variable should not be correlated to other variables. Model 1 represented the first step, to examine the effects of empowering behaviour on psychological empowerment, and psychological empowerment on psychological contract (Path a). Psychological empowerment, as a level 1 predictor, was entered with group-mean-centring to examine the between-group variance in psychological contract (see Hofmann & Gavin, 1998). Model 2 represented the second step, to examine the effect of empowerment disparity on psychological empowerment while controlling for empowering behaviour, and the effect of empowerment disparity on psychological contract while controlling for psychological empowerment (Path b). Model 3 represented the third step, to examine the effect of the interaction variable of empowering behaviour and empowerment disparity on psychological empowerment while controlling for previous individual variables and the effect of the interaction of the variables of psychological empowerment and empowerment disparity on psychological contract (Path c). The focus of this step was the

effect of the interaction variable on psychological empowerment and psychological contract. If this effect were significant, then there was a moderation effect.

Figure 6: Moderation Model



Note. This model illustrates the three-step procedure for moderation analysis. Adapted from “The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations,” by R. M. Baron and D. A. Kenny, 1986, *Journal of Personality and Social Psychology*, 51(6), p. 1174. Copyright 1986 by the American Psychological Association, Inc.

3.7 Ethical Considerations

This research was approved by the Auckland University of Technology Ethics Committee (AUTEC) on 27th May 2019, AUTEC Reference 19/166 (see Appendix A). In line with the AUTEC guidelines and procedures, the following key principles were carefully addressed:

- informed and voluntary consent
- respect for rights of privacy and confidentiality
- minimisation of risk
- truthfulness, including limitation of deception
- social and cultural sensitivity, including commitment to the principles of the Treaty of Waitangi
- research adequacy
- avoidance of conflict of interest

As human participation was the most important part of this study, a Participant Information Sheet (see Appendix B.d. – B.f.), which clearly explained the aforementioned principles, was prepared for potential respondents to read. The Participant Information Sheet started with an introduction to the researcher and the research project. Potential respondents were firstly informed of the purpose of the study and how the voluntary recruitment process and anonymity worked. Any potential concerns such as risks to the respondents, identity or privacy of the respondents, and the benefits of participation were simply explained. The contact details of the researcher, the project supervisor, and AUTEK personnel were provided at the end of the Participant Information Sheet.

No exclusion criteria were applied to ensure adequate statistical power for this quantitative research, no. All the collected questionnaires were transformed into a dataset using the matching codes (managers – employees – customers). The coded dataset was shared between the researcher and the supervisors with respondents being anonymous. The questionnaire and dataset were stored securely in the primary supervisor's office and will be destroyed after six years.

CHAPTER 4 RESULTS

4.1 Chapter Preview

The aim of this chapter is to present the results of the data analysis. The chapter is divided into four sections. The first section presents a descriptive summary of the respondents' characteristics. The restaurants' characteristics are presented first to provide an overview of management style, types of restaurants and restaurant sizes. Background information on managers/owners and employees is presented as the restaurants' insiders. The background information on customers and their dining behaviours is then presented as the restaurants' outsiders. The following sections are aligned with the data analysis strategy discussed in Section 3.6. The findings of the measurement model are explained in the second section of this chapter. The third section provides the descriptive statistics of all the study variables, including the correlation tests. The last section provides detailed results of the research model's hypothesis testing. A summary of the hypothesis test results is presented at the end of the chapter.

4.2 Profile of Respondents

Data were collected from 51 restaurant managers, 287 employees and 2,136 customers. One set of employee responses was excluded due to its missing data, resulting in a final sample of 51 managers, 286 employees, and 2,129 customers.

Table 11 provides the characteristics of the participating restaurants; most were family-owned businesses (70.6%), and 29.4% were partnerships. Almost half of the participating restaurants were casual dining outlets (43.1%), followed by speciality restaurants (11%). Only four cafés and bistros (7.8%) participated in this study because of the inclusion criteria. The minimum number of employees per restaurant was three, and the maximum was 60, with an average of 16.25 employees per restaurant. Most participating restaurants were considered small businesses as 54.9% had between three and ten employees operating the whole business. The participating restaurants ranged from as small as 29 seats to as large as 400 seats. Most restaurants (33.3%) could accommodate between 51 and 100 customers at a time; the remainder held fewer than 50 customers (21.6%) or more than 200 customers (21.6%) at a time, with an average of 128.08 seats per restaurant.

Table 11: Characteristics of Participating Restaurants

	<i>Frequency (N)</i>	<i>Percentage (%)</i>
Management ownership		
Family-owned	36	70.6
Partnership	15	29.4
Total	51	100
Types of restaurant		
Casual dining	22	43.1
Specialty restaurant	11	21.6
Pub and Restaurant	7	13.7
Table buffet	7	13.7
Café and Bistro	4	7.8
Total	51	100
Number of employees		
10 or less	28	54.9
11 – 20	11	21.6
21 – 30	6	11.8
31 or more	6	11.8
Total	51	100
<i>Mean = 16.25, Std. Dev. = 14.11, Min = 3, Max = 60</i>		
Number of seats		
50 or fewer	11	21.6
51 – 100	17	33.3
101 – 150	8	15.7
151 – 200	4	7.8
201 or more	11	21.6
Total	51	100
<i>Mean = 128.08, Std. Dev. = 89.40, Min = 29, Max = 400</i>		

As there were three sources of data from two types of respondents – restaurants’ insiders (managers and employees) and restaurants’ outsiders (customers), profiles of the respondents are presented separately. Managers’ and employees’ profiles are presented first in Table 12, and customers’ profiles are presented in Table 13.

As shown in Table 12, 27 (52.9%) restaurant owners and 24 (47.1%) managers participated in this study. Of 286 employee respondents, 72.4% were full-time workers, while the others were part-time workers (27.3%). There were more female respondents at both management level (52.9%) and employee level (65.4%). The average age of the managers/owners was 37.5 years, with the youngest manager/owner being 24 years old, and the oldest being 76 years old. The majority of the managers/owners were between 31 – 40 years of age (39.2%) and only 9.8% were over 51 years old. For employees, the average age was 24.3 years, with the youngest employee being 18 years old, and the oldest

being 60 years old. Of the total number of employees, 30.1% were between 18 and 20 years of age while 50% were 21 – 30 years old. Most managers and employees were single (52.9% and 87.8%, respectively). Most managers held an undergraduate degree (58.8%) while most of the employees' highest qualification was from high school (77.3%). Of the 51 manager/owner respondents, 52.9% had no educational background in hospitality while 39.5% had taken hospitality short courses. The results showed similar trends for employee respondents: 76.2% had no educational background in hospitality, while 16.4% had completed hospitality short courses.

Almost one third (29.4%) of the manager/owner respondents had operated their current restaurant for more than eight years, 25.5% had worked at their current restaurant for one to three years, and 19.6%, for three to five years. In contrast, 60.5% of the employees had worked for their current restaurant for one year or less, 25.5% of the employees had worked for the current restaurant for one to three years, and only 3.1% of the employees had worked for their current restaurant for more than eight years. On average, the manager/owner respondents had worked for their current restaurant for 7.3 years, with a minimum tenure of two months and a maximum of 38 years. For the employees, the average tenure at their current restaurant was 1.5 years, with a minimum tenure of one month, and a maximum of 20.8 years.

In terms of the respondents' experience in hospitality, particularly the restaurant industry, 41.2% of the manager/owner respondents had more than eight years of industrial experience, while only 5.9% had one year's experience or less. The average industrial experience of the manager/owner respondents was 9.6 years, with as little as two months and as long as 38 years. Most participating employees (42%) had an industrial experience of one year or less, 26.6% had an industrial experience of one to three years, and only 6.6% had worked in the industry for more than eight years. The average industrial experience of the employees was 2.8 years, with as little experience as one month and as much as 30.6 years.

Table 12: Profile of the Employee Respondents

	Managers/Owners		Employees	
	Frequency (N)	Percentage (%)	Frequency (N)	Percentage (%)
Position				
Manager	24	47.1	-	-
Owner	27	52.9	-	-
Full-time	-	-	207	72.4
Part-time	-	-	78	27.3
Missing	-	-	1	0.3
Total	51	100	286	100
Gender				
Male	24	47.1	99	34.6
Female	27	52.9	187	65.4
Total	51	100	286	100
Age				
20 and under	-	-	86	30.1
21 – 30	14	27.5	143	50.0
31 – 40	20	39.2	28	9.8
41 – 50	12	23.5	8	2.8
51 and over	5	9.8	1	.3
Missing	-	-	20	7.0
Total	51	100	286	100
	<i>Mean = 37.53, Std. Dev. = 10.17, Min = 24, Max = 76</i>		<i>Mean = 24.26, Std. Dev. = 6.52, Min = 18, Max = 60</i>	
Marital status				
Single	27	52.9	251	87.8
Married	24	47.1	33	11.5
Widow	-	-	2	0.7
Total	51	100	286	100
Education				
High school	15	29.4	221	77.3
Undergraduate	30	58.8	59	20.6
Postgraduate	6	11.8	1	0.3
Missing	-	-	5	1.7
Total	51	100	286	100
Education in Hospitality				
Never	27	52.9	218	76.2
Short course	20	39.5	47	16.4
Diploma/certificate	1	2.0	9	3.1
Bachelor's degree or higher	3	5.9	12	4.2
Total	51	100	286	100
Job tenure*				
1 year or less	9	17.6	173	60.5
1 – 3 years	13	25.5	73	25.5
3 – 5 years	10	19.6	17	5.9
5 - 8 years	4	7.8	8	2.8
More than 8 years	15	29.4	9	3.1
Missing	-	-	6	2.1
Total	51	100	286	100
	<i>Mean = 7.28, Std. Dev. = 9.17, Min = 0.17, Max = 38</i>		<i>Mean = 1.50, Std. Dev. = 2.25, Min = 0.10, Max = 20.83</i>	
Industrial experience*				
1 year or less	3	5.9	120	42.0
1 – 3 years	5	9.8	76	26.6
3 – 5 years	13	25.5	41	14.3
5 - 8 years	9	17.6	23	8.0
More than 8 years	21	41.2	19	6.6
Missing	-	-	7	2.4
Total	51	100	286	100
	<i>Mean = 9.58, Std. Dev. = 8.78, Min = 0.17, Max = 38</i>		<i>Mean = 2.76, Std. Dev. = 3.57, Min = 0.10, Max = 30.58</i>	

Note. Data were collected in terms of months and converted into years or part years

Table 13 provides the customers' profiles. More than half (56.5%) of the customers were females. Most customers (43.4%) were between 21 and 30 years old, with an average age of 30.8 years; the youngest was 18 years old and the oldest was 73 years old. Most of the respondents' highest educational level was an undergraduate degree (43.8%) and 38.1% held a high school diploma. Of all the customer respondents, 38% were full-time workers, and 26.9% were students. In terms of monthly income, 38.5% earned THB 15,000 per month or less and 25.1% earned between THB 15,001 and 25,000 per month. These results may be due to the large proportion of student respondents and young full-time workers. During the study, 43.1% of the respondents were visiting the participating restaurants with their friends, and 20.5% came with their family. A third (33.8%) visited the participating restaurants once a month or less, 27.8% were visiting for the first time, and 23.3% visited two to three times a month.

Table 13: Profile of the Customer Respondents

	<i>Frequency (N)</i>	<i>Percentage (%)</i>
Gender		
Male	920	43.2
Female	1,203	56.5
Missing	6	0.3
Total	2,129	100
Age		
20 and under	271	12.7
21 – 30	923	43.4
31 – 40	481	22.6
41 – 50	214	10.1
51 and over	114	5.4
Missing	126	5.9
Total	2,129	100
<i>Mean = 30.78, Std. Dev. = 10.28, Min = 18, Max = 73</i>		
Education		
High school or less	812	38.1
Undergraduate	932	43.8
Postgraduate	310	14.6
Missing	75	3.5
Total	2,129	100
Current work status		
Student	573	26.9
Part-time worker	104	4.9
Full-time worker	810	38.0
Self-employed	432	20.3
Between jobs	47	2.2
Missing	163	7.6
Total	2,129	100
Monthly income (THB)		
15,000 or under	819	38.5
15,001 – 25,000	534	25.1
25,001 – 35,000	293	13.8
35,001 – 45,000	166	7.8
45,001 – 55,000	124	5.8
Over 55,000	160	7.5
Missing	33	1.6
Total	2,129	100
Accompanied by		
No-one (alone)	160	7.5
Friends	917	43.1
Family	437	20.5
Colleague	287	13.5
Partner	301	14.1
Missing	27	1.3
Total	2,129	100
Frequency of visits		
First time	592	27.8
Once a month or less	719	33.8
2-3 times a month	495	23.3
Once a week	187	8.8
2-3 times a week	126	5.9
Missing	10	0.5
Total	2,129	100

4.3 Measurement Model

Table 14 presents the results of the measurement reliability and validity tests. Cronbach's alpha and CR represent the measurement reliability. All scales from all the sources produced high scores in both the Cronbach's alpha and CR, which indicated the reliability of the measurements. The AVE values of all constructs were close to or above .5, indicating adequate measurement validity.

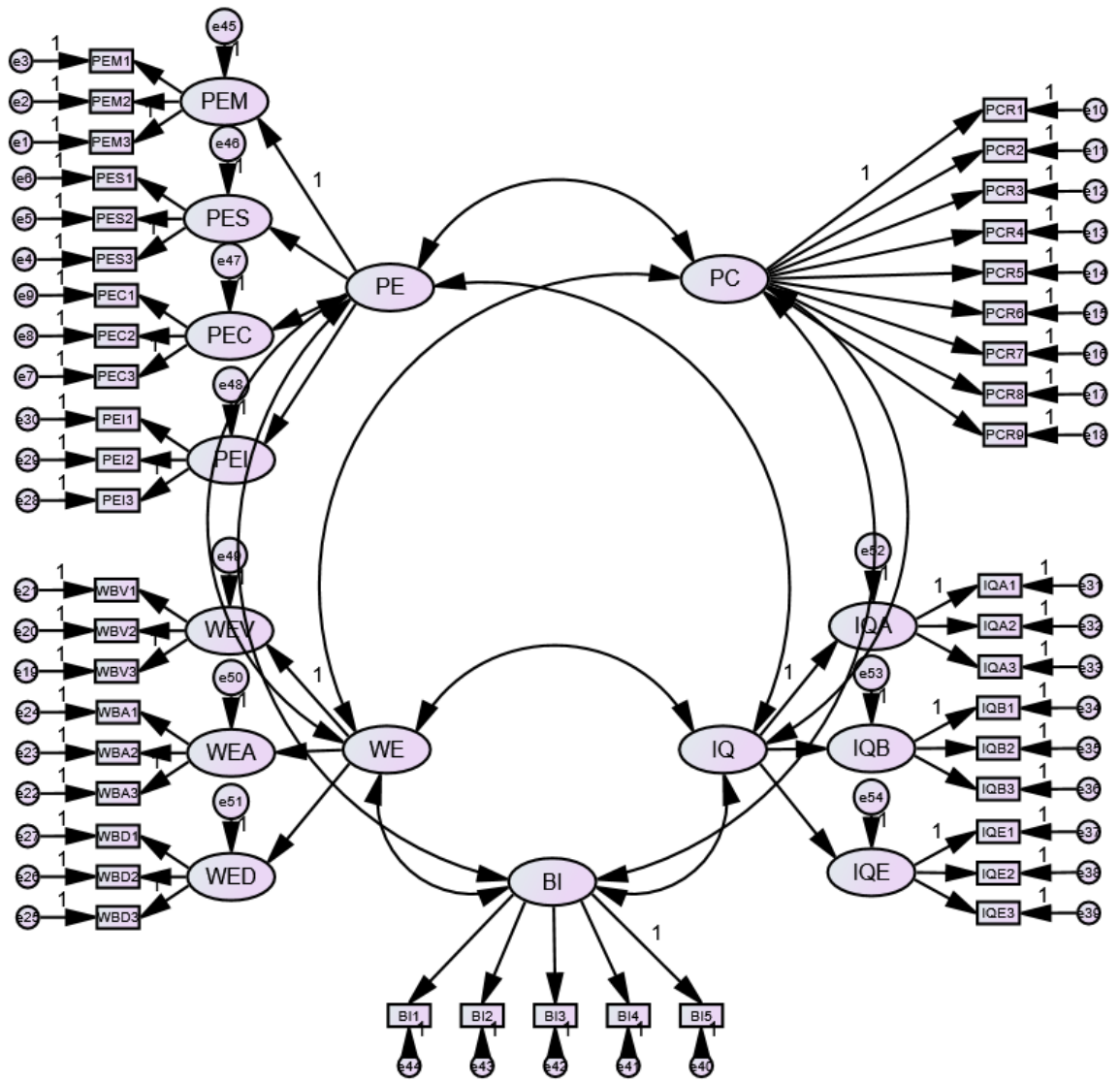
Since three of the five variables in this study contained multiple dimensions, a second-order confirmation factor analysis (CFA) was performed, as illustrated in Figure 7. Table 14 also indicates that all the factor loadings of the items were higher than the cut-off value of .5, ranging from .60 to .99, thus establishing the convergent validity of the measurements. The overall measurement model reported a chi-square value of 1,808.43 with 882 degrees of freedom, $p \leq .001$. The GFI value was .77, which was below the cut-off value of .90 but still implied an acceptable fit for the model. The value of TLI was .92, which lay within the suggested range of .90 - .95, indicating an acceptable model fitness. The CFI value was .93, which suggested an acceptable fit for the model as it was also within the suggested range of .90 - .95. Lastly, the RMSEA value was .06, which indicated a very good fit for the model as it was within the acceptable range of .05 to .08.

Table 14: Confirmation Factor Analysis and Reliability Test

Level 1 variables	Standardised factor loadings	Cronbach's alpha	CR	AVE
<i>Psychological empowerment</i>		.90	.83	.55
Meaningful	.69			
Competence	.81			
Self-efficacy	.74			
Impact	.71			
<i>Psychological contract</i>		.89	.89	.47
Psychological contract 1	.66			
Psychological contract 2	.67			
Psychological contract 3	.71			
Psychological contract 4	.64			
Psychological contract 5	.72			
Psychological contract 6	.71			
Psychological contract 7	.75			
Psychological contract 8	.71			
Psychological contract 9	.60			
<i>Work engagement</i>		.90	.91	.78
Vigour	.87			
Dedication	.94			
Absorption	.84			
<i>Interaction quality</i>		.95	.99	.96
Attitude	.97			
Behaviour	.99			
Expertise	.98			
<i>Customer loyalty</i>		.95	.98	.93
Customer loyalty 1	.97			
Customer loyalty 2	.97			
Customer loyalty 3	.96			
Customer loyalty 4	.96			
Customer loyalty 5	.95			

Note. CR = composite reliability; AVE = average variance extracted

Figure 7: Second-Order Confirmation Factor Analysis in AMOS 25



4.4 Descriptive Statistics for the Study Variables

Table 15 provides the number of responses (N), means, standard deviations (SD), skewness statistics and standard errors, and kurtosis statistics and standard errors for all the study variables at each level of interest. Demographic variables such as age, job tenure and group size were originally collected as numeric responses. They were later converted into categories (see Table 12) resulting in a smaller range of SD. The empowering behaviour variable, which was the primary independent variable at level 2, had a mean score of 5.35 (SD = .94). The mean score of psychological empowerment, which was the primary independent variable at level 1, was 5.35 (SD = .87). Empowerment disparity (ED), which was a newly proposed construct in this study, had a mean score of .14 (SD = .07). Employee outcome variables such as psychological contract and work engagement had mean scores of 5.34 (SD = 1.05) and 4.64 (SD = .61), respectively. The aggregated customer outcome variables of interaction quality and customer loyalty had mean scores of 5.71 (SD = .64) and 5.82 (SD = .67), respectively. The skewness and kurtosis statistics showed that all study variables were within acceptable ranges of normality, with skewness from -3 to 3 and kurtosis from -8 to 8 (see Kline, 2016).

Table 15: Means, Standard Deviations, Skewness, and Kurtosis Statistics and Standard Errors for All Study Variables

		N	Mean	SD	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
<i>Level 1</i>								
1	Age	266	1.85	.75	.90	.15	1.37	.30
2	Gender	286	1.65	.48	-.65	.14	-1.59	.29
3	Job tenure	280	1.60	.96	1.96	.15	3.70	.29
5	PE	286	5.35	.87	-.42	.14	-.22	.29
4	PC	286	5.34	1.05	-.58	.14	.36	.29
6	WE	286	4.64	.91	-.56	.14	-.18	.29
7	IQ	286	5.71	.64	-.55	.14	.49	.29
8	CL	286	5.82	.67	-.82	.14	1.00	.29
<i>Level 2</i>								
1	Manager age	51	3.16	.95	.41	.33	-.69	.66
2	Manager gender	51	1.53	.50	-.12	.33	-2.07	.66
3	Manager job tenure	51	3.06	1.50	.12	.33	-1.44	.66
4	Group size	51	1.80	1.06	1.04	.33	-.25	.66
5	EB	51	5.45	.94	-1.12	.33	2.08	.66
7	ED	51	.14	.07	.90	.33	1.24	.66

Note. N = number of respondents; SD = standard deviations; PE = psychological empowerment; PC = psychological contract; WE = work engagement; IQ = interaction quality; CL = customer loyalty; EB = empowering behaviour; ED = empowerment disparity.

Table 16 presents the correlations between all study variables at each level separately. At level 1, the pattern and strength of the relationships showed a similar trend. The main independent variable, psychological empowerment, had significant positive relationships with all the outcome variables. Specifically, psychological empowerment had positive correlations to psychological contract ($r = .59, p \leq .001$), work engagement ($r = .52, p \leq .001$), interaction quality ($r = .20, p \leq .001$), and customer loyalty ($r = .22, p \leq .001$). Psychological contract showed a strong and positive correlation to work engagement ($r = .59, p \leq .001$) and the same correlation with interaction quality and customer loyalty ($r = .20, p \leq .001$ and $r = .20, p \leq .001$, respectively). Although significant, work engagement had a lower correlation with interaction quality ($r = .14, p < .05$) and customer loyalty ($r = .13, p < .05$), while interaction quality showed the strongest correlation with customer loyalty ($r = .89, p \leq .001$).

In terms of demographic variables, employee age seemed to have positive relationships with job tenure ($r = .35, p \leq .001$), interaction quality ($r = .15, p < .05$) and customer loyalty ($r = .13, p < .05$). Employee job tenure also showed significant correlations with

psychological empowerment ($r = .13, p < .05$) and psychological contract ($r = .12, p < .05$). The results suggest that the older the employees, the longer they stayed with the restaurant, and the better interaction quality they provided to customers, which related to customer loyalty. The results also suggested that the longer employees stayed with the restaurant, the greater their psychological empowerment and the stronger their psychological contract with the restaurant.

At level 2, the results as presented in Table 16 showed no relationship between the two main variables, empowering behaviour and empowerment disparity. However, managers' age showed significant correlations with job tenure ($r = .53, p \leq .001$) and empowering behaviour ($r = .33, p < .05$). The results suggested that the older the manager, the longer they stayed with the restaurant; they were also more likely to empower their employees.

However, these correlations cannot be used as hypothesis testing results for this study as they did not take both individual and group variables into consideration. To better understand the effect of both individual and group variables, the results of testing the study hypotheses using HLM analysis are provided in the following section.

Table 16: Correlations of All Study Variables

Variables	1	2	3	4	5	6	7	8
<i>Level 1</i>								
1 Age	1							
2 Gender	-.04	1						
3 Job tenure	.35**	-.03	1					
4 PE	.12	.02	.13*	1				
5 PC	.10	-.01	.12*	.59**	1			
6 WE	.10	.04	.03	.52**	.59**	1		
7 IQ	.15*	-.02	.09	.20**	.20**	.14*	1	
8 CL	.13*	.01	.04	.22**	.20**	.13*	.89**	1
<i>Level 2</i>								
1 Manager age	1							
2 Manager gender	-.18	1						
3 Manager job tenure	.53**	.22	1					
4 Group size	-.13	.27	.03	1				
5 EB	.33*	-.17	.21	-.16	1			
6 ED	-.26	.18	-.08	.22	-.18	1		

Note. PE = psychological empowerment; PC = psychological contract; WE = work engagement; IQ = interaction quality; CL = customer loyalty; EB = empowering behaviour; ED = empowerment disparity.

* $p < .05$, ** $p \leq .01$

4.5 Hypothesis Testing

Hypothesis 1 predicted that employees' psychological empowerment had a positive influence on their work engagement. The results of the HLM analysis are presented in Table 17. Model 1 suggested that 17.07% of the variance in work engagement was at the group-level. Other control variables had no significant effects on work engagement, except manager gender ($b = -.28, p < .05$). Model 2 showed a strongly and positively significant relationship between psychological empowerment and work engagement ($b = .54, p \leq .001$) and offered improvements to model fit in comparison to Model 1. In terms of effect size, the results confirmed that psychological empowerment explained 26.47% of the within-group variance in work engagement. Therefore, H1 was supported.

Table 17: *HLM Results of Psychological Empowerment on Work Engagement*

	Model 1	Model 2
Intercept	4.79**	4.97**
<i>Level 1 - Employee</i>		
Age	.13	.05
Gender	.06	.05
Job tenure	.03	-.01
Psychological empowerment		.54**
<i>Level 2 - Manager</i>		
Age	-.09	-.08
Gender	-.28*	-.16
Job tenure	.07	.02
Group size	-.04	-.04
ICC/R ²	17.07%	26.47%
Within-group variance (σ^2)	.68	.50
Between-group variance (T)	.14	.08
Deviance	685.57	606.56

* $p < .05$, ** $p \leq .01$

Hypothesis 2 predicted that employees' psychological empowerment had a positive influence on customers' evaluations of interaction quality. The results of the HLM analysis are presented in Table 18. Model 1 suggested that 31.82% of the variance in interaction quality was at the group-level, and only employee age as a control variable had a significant effect on interaction quality ($b = .09, p < .05$). Model 2 showed a significant positive relationship between psychological empowerment and interaction quality ($b = .12, p < .05$) and offered improvements to model fit in comparison to Model 1. In terms of effect size, the results confirmed that psychological empowerment explained 3.33% of the within-group variance in interaction quality. Therefore, H2 was supported.

Table 18: *HLM Results of Psychological Empowerment on Interaction Quality*

	Model 1	Model 2
Intercept	5.76**	5.79**
<i>Level 1 - Employee</i>		
Age	.09*	.07
Gender	.01	.01
Job tenure	.03	.02
Psychological empowerment		.12*
<i>Level 2 - Manager</i>		
Age	.04	.04
Gender	-.14	-.11
Job tenure	-.05	-.06
Group size	-.01	-.01
<i>ICC/R²</i>	31.82%	3.33%
<i>Within-group variance (σ^2)</i>	.30	.29
<i>Between-group variance (T)</i>	.14	.13
<i>Deviance</i>	501.79(2)	497.00(2)

* $p < .05$, ** $p \leq .01$

Hypothesis 3 predicted that the employees' psychological contract mediated the positive influence of their psychological empowerment on work engagement. Following Baron and Kenny's four-step mediation test method, the results of the HLM analysis are presented in Table 19. Step 1 was already examined during the testing of H1 ($b = .54, p \leq .001$) as shown in Table 17. Step 2 examined the relationship between psychological empowerment and psychological contract; the result was strongly and positively significant ($b = .71, p \leq .001$). Thus, the first two requirements were met. Step 3 examined the relationship between psychological contract and work engagement; the result was also strongly and positively significant ($b = .48, p \leq .001$). In Step 4, psychological empowerment and psychological contract were included in the same model to examine their effects on work engagement. The results remained significant but reduced ($b = .32, p \leq .001; b = .32, p \leq .001$, respectively). Moreover, having psychological empowerment and psychological contract in the same model offered the best improvements to model fits, as well as providing the strongest effect size (33.82%) in order to explain the variance in work engagement. Therefore, employees' psychological contract partially mediated the positive influence of their psychological empowerment on work engagement. Hence, H3 was supported.

Table 19: *HLM Results of the Mediation Effect of Psychological Contract Between Psychological Empowerment and Work Engagement*

	WE	PC	WE	WE
Intercept	4.97**	5.12**	5.00**	5.04**
<i>Level 1 – Employee</i>				
Age	.05	.06	.05	.04
Gender	.05	-.06	.08	.06
Job tenure	-.01	.02	.00	-.01
Psychological empowerment	.54**	.71**		.32**
Psychological contract			.48**	.32**
<i>Level 2 - Manager</i>				
Age	-.08	.02	-.10	.04
Gender	-.16	.19	-.28**	-.12
Job tenure	.02	-.02	.04	-.06
Group size	-.04	-.06	-.01	-.00
R^2	26.47%	32.63%	26.47%	33.82%
Within-group variance (σ^2)	.50	.64	.50	.45
Between-group variance (T)	.08	.02	.05	.05
Deviance	606.56	652.80	598.05	580.34

Note. PC = psychological contract; WE = work engagement;
* $p < .05$, ** $p \leq .01$

Hypothesis 4 predicted that the employees' psychological contract mediated the positive influence of their psychological empowerment on customers' evaluations of interaction quality. Similar to H3, the study followed Baron and Kenny's four-step mediation test method; the results of the HLM analysis are presented in Table 20. Step 1 and Step 2 were examined during the testing of H2 ($b = .12, \rho < .05$) and H3 ($b = .71, p \leq .001$), as shown in Tables 18 and 19 respectively. Thus, the first two requirements were met. Step 3 examined the relationship between psychological contract and interaction quality; the result was positive and significant ($b = .11, \rho < .05$). In Step 4, psychological empowerment and psychological contract were included in the same model to examine their effects on interaction quality. However, the results were relatively small and not significant ($b = .07, p > .05$; $b = .07, p > .05$, respectively). Therefore, employees' psychological contract did not mediate the influence of their psychological empowerment on customers' evaluations of interaction quality. Hence, H4 was not supported.

Table 20: *HLM Results of the Mediation Effect of Psychological Contract Between Psychological Empowerment and Interaction Quality*

	IQ	PC	IQ	IQ
Intercept	5.79**	5.12**	5.81**	5.81**
<i>Level 1 – Employee</i>				
Age	.07	.06	.07	.07
Gender	.01	-.06	.01	.01
Job tenure	.02	.02	.02	.02
Psychological empowerment	.12*	.71**		.07
Psychological contract			.11*	.07
<i>Level 2 - Manager</i>				
Age	.04	.02	.04	.04
Gender	-.11	.19	-.14	-.12
Job tenure	-.06	-.02	-.06	-.06
Group size	-.01	-.06	-.00	-.00
R^2	3.33%	32.63%	3.33%	3.33%
Within-group variance (σ^2)	.29	.64	.29	.29
Between-group variance (T)	.13	.02	.14	.13
Deviance	497.00	652.80	496.42	500.62

Note. PC = psychological contract; IQ = interaction quality;
* $p < .05$, ** $p \leq .01$

Hypothesis 5 predicted that managers' empowering behaviour, at the group-level, had a positive influence on employees' psychological empowerment, at the individual level. Table 21 presents the results of the HLM analysis. Model 1 suggested that 17.11% of the variance in psychological empowerment was at the group-level, and none of the control variables had a significant effect on psychological empowerment. Model 2 showed a significantly positive relationship between empowering behaviour and psychological empowerment ($b = .16, p < .05$) and offered improvements to model fit in comparison to Model 1. In terms of effect size, the results confirmed that empowering behaviour explained 23.08% of the between-group variance in psychological empowerment. Therefore, H5 was supported.

Table 21: *HLM Results of Empowering Behaviour on Psychological Empowerment*

	Model 1	Model 2
Intercept	5.00**	5.08**
<i>Level 1 - Employee</i>		
Age	.14	.13
Gender	.03	.02
Job tenure	.08	.08
<i>Level 2 - Manager</i>		
Age	-.02	-.05
Gender	-.21	-.16
Job tenure	.08	.07
Group size	.01	.02
Empowering behaviour		.16*
<i>ICCR²</i>	17.11%	23.08%
<i>Within-group variance (σ^2)</i>	.63	.64
<i>Between-group variance (T)</i>	.13	.10
<i>Deviance</i>	669.75	667.61

* $p < .05$, ** $p \leq .01$

Hypothesis 6 predicted that managers' empowering behaviour, at the group-level, had a positive influence on the employees' psychological contract, at the individual level. The results of the HLM analysis are presented in Table 22. Model 1 suggested that 10.38% of the variance in psychological contract was at the group-level, and none of the control variables had a significant effect on psychological contract. Model 2 showed a significantly positive relationship between empowering behaviour and psychological contract ($b = .16, p < .05$) and offered improvements to model fit in comparison to Model 1. In terms of effect size, the results confirmed that empowering behaviour explained 18.18% of the between-group variance in psychological contract. Therefore, H6 was supported.

Table 22: *HLM Results of Empowering Behaviour on Psychological Contract*

	Model 1	Model 2
Intercept	4.85**	4.94**
<i>Level 1 - Employee</i>		
Age	.15	.15
Gender	-.01	-.04
Job tenure	.08	.08
<i>Level 2 - Manager</i>		
Age	.01	-.02
Gender	.02	.08
Job tenure	.04	.03
Group size	-.04	-.03
Empowering behaviour		.16*
R^2	10.38%	18.18%
Within-group variance (σ^2)	.95	.95
Between-group variance (T)	.11	.09
Deviance	761.58	759.58

* $p < .05$, ** $p \leq .01$

Hypothesis 7 predicted that empowerment disparity, at the group-level, moderated the positive influence of managers' empowering behaviour, at the group-level, on employees' psychological empowerment, at the individual level. The results of the HLM analysis are presented in Table 23. Model 1 showed a significant effect of empowering behaviour on psychological empowerment as examined in H5 ($b = .16, p < .05$). Model 2 examined both the effects of empowering behaviour and empowerment disparity on psychological empowerment. The effect of empowering behaviour on psychological empowerment remained significant but reduced ($b = .14, p < .05$), while empowerment disparity showed no significant effect. In Model 3, the interaction term between empowering behaviour and empowerment disparity (EB x ED) was included to examine its moderating effect. The results showed a significant and strongly positive moderating effect of empowerment disparity on empowering behaviour on psychological empowerment ($b = 2.19, p \leq .01$) and the effect of empowering behaviour became nonsignificant. Moreover, the model offered improvements to model fits as well as providing the most robust effect size (53.85%) to explain the variance in psychological empowerment. Therefore, empowerment disparity positively moderated the influence of managers' empowering behaviour on employees' psychological empowerment. Hence, H7 was supported.

Table 23: HLM Results of the Moderating Effect of Empowerment Disparity Between Empowering Behaviour and Psychological Empowerment

	Model 1	Model 2	Model 3
Intercept	5.08**	5.11**	4.98**
<i>Level 1 - Employee</i>			
Age	.13	.13	.14
Gender	.02	.03	.06
Job tenure	.08	.09	.10
<i>Level 2 - Manager</i>			
Age	-.05	-.10	-.08
Gender	-.16	-.15	-.11
Job tenure	.07	.08	.05
Group size	.02	.05	.06
Empowering behaviour	.16*	.14*	-.14
Empowerment disparity		-2.87**	-2.89**
<i>Cross-level moderation</i>			
EB x ED			2.19**
R^2	23.08%	46.15%	53.85%
<i>Within-group variance (σ^2)</i>	.64	.64	.64
<i>Between-group variance (T)</i>	.10	.07	.06
<i>Deviance</i>	667.61	660.81	653.42

Note. EB = empowering behaviour; ED = empowerment disparity;
* $p < .05$, ** $p \leq .01$

Hypothesis 8 predicted that empowerment disparity, at the group-level, moderated the positive influence of employees' psychological empowerment on their psychological contract, at the individual level. The results of the HLM analysis are presented in Table 24. Model 1 showed a significant effect of psychological empowerment on psychological contract ($b = .71, p \leq .001$). Model 2 examined the effects of both psychological empowerment and empowerment disparity on psychological contract. The effect of psychological empowerment on psychological contract remained significant ($b = .71, p \leq .001$) while empowerment disparity showed no significant effect. In Model 3, the interaction term between psychological empowerment and empowerment disparity (PE x ED) was included to examine its moderating effect. The results showed a significant and strongly positive moderating effect of empowerment disparity on psychological empowerment on psychological contract ($b = 2.47, p \leq .01$) and the effect of psychological empowerment became nonsignificant. Moreover, the model offered improvements to model fits in comparison to Model 1 and Model 2. In terms of effect size, the results confirmed that empowerment disparity explained 18.18% of the variance in psychological contract. Therefore, empowerment disparity positively moderated the influence of employees' psychological empowerment on their psychological contract. Hence, H8 was supported.

Table 24: HLM Results of the Moderating Effect of Empowerment Disparity Between Psychological Empowerment and Psychological Contract

	Model 1	Model 2	Model 3
Intercept	4.91**	4.93**	5.00**
<i>Level 1 - Employee</i>			
Age	.07	.07	.08
Gender	.01	.01	.01
Job tenure	.03	.04	.05
Psychological empowerment	.71**	.71**	.23
<i>Level 2 - Manager</i>			
Age	.05	.03	.00
Gender	.03	.04	.12
Job tenure	.05	.05	.01
Group size	-.06	-.05	-.05
Empowerment disparity		-1.23	-.24
<i>Cross-level moderation</i>			
PE x ED			2.47**
<i>R</i> ²	32.63%	36.36%	18.18%
<i>Within-group variance</i> (σ^2)	.64	.64	.64
<i>Between-group variance</i> (<i>T</i>)	.16	.15	.09
<i>Deviance</i>	676.75	675.34	662.94

Note. PE = psychological empowerment; ED = empowerment disparity;
p* < .05, *p* ≤ .01

Hypothesis 9 predicted that customers' evaluations of interaction quality had a positive influence on their loyalty. The results of the HLM analysis are presented in Table 25. Model 1 suggested that 25% of the variance in customer loyalty was at the group-level. Other control variables had no significant effects on customer loyalty, except employee age ($b = .13, p < .05$). Model 2 showed a significantly and strongly positive relationship between interaction quality and customer loyalty ($b = .94, p \leq .001$) and offered improvements to model fit in comparison to Model 1. In terms of effect size, the results confirmed that interaction quality explained 75% of the within-group variance in customer loyalty. Therefore, H9 was supported.

Table 25: *HLM Results of Interaction Quality on Customer Loyalty*

	Model 1	Model 2
Intercept	5.68**	5.70**
<i>Level 1 - Employee</i>		
Age	.13*	.03
Gender	.05	.04
Job tenure	.00	-.02
Interaction quality		.94**
<i>Level 2 - Manager</i>		
Age	.03	-.02
Gender	-.11	.02
Job tenure	-.05	.00
Group size	.02	.02
R^2	25.00%	75.00%
<i>Within-group variance (σ^2)</i>	.36	.09
<i>Between-group variance (T)</i>	.12	.01
<i>Deviance</i>	539.04	166.74

* $p < .05$, ** $p \leq .01$

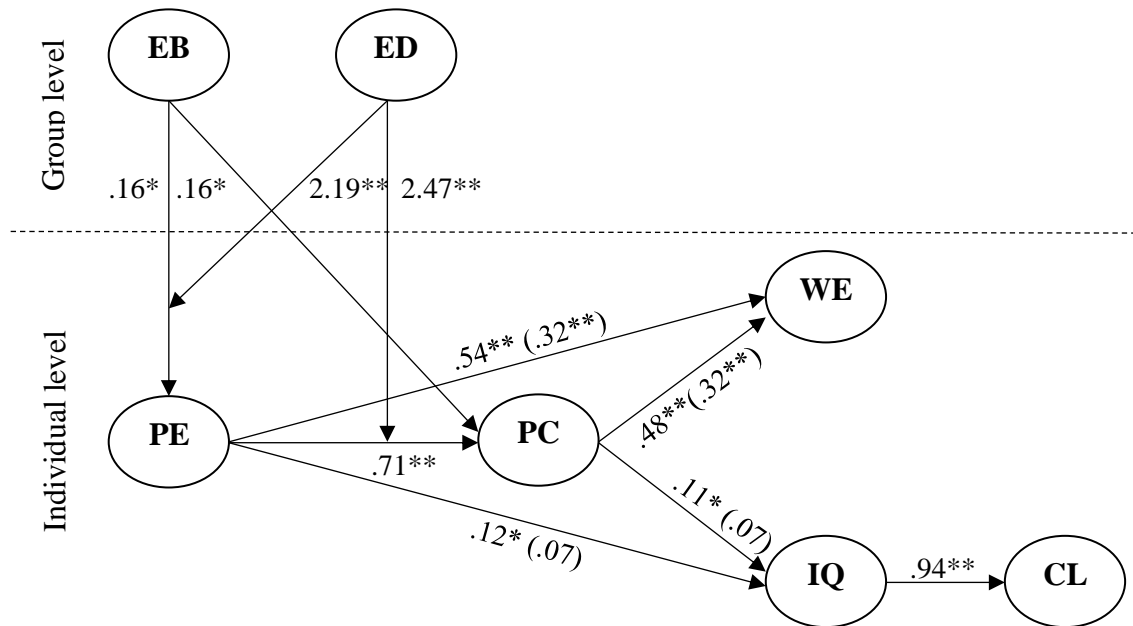
Table 26 presents a summary of all the hypotheses test results. The detailed test results are presented in Figure 8.

Table 26: Summary of Hypothesis Testing

Hypothesis	Supported	Rejected	Notes
H1: PE → WE	X		See Table 17
H2: PE → IQ	X		See Table 18
H3: PE → PC → WE	X		PC also related to WE, see Table 19
H4: PE → PC → IQ		X	No mediation but PC related to IQ, see Table 20
H5: EB → PE	X		See Table 21
H6: EB → PC	X		See Table 22
H7: EB → ED → PE	X		See Table 23
H8: PE → ED → PC	X		See Table 24
H9: IQ → CL	X		See Table 25

Note. PE = psychological empowerment; PC = psychological contract; WE = work engagement; IQ = interaction quality; CL= customer loyalty; EB = empowering behaviour; ED = empowerment disparity.

Figure 8: Summary of Hypothesis Test Results



Note. PE = psychological empowerment; PC = psychological contract; WE = work engagement; IQ = interaction quality; CL= customer loyalty; EB = empowering behaviour; ED = empowerment disparity.

CHAPTER 5 DISCUSSION

5.1 Chapter Preview

This chapter provides a critical reflection on the key findings of this study against the theoretical background and hypothesis development in Chapter 2. The significant contributions to employee empowerment research, both theoretically and methodologically, are described. Practical implications and recommendations for the service sector, specifically the hospitality and tourism industry, are presented, and the limitations of the study and recommendations for future research are discussed. The conclusion is provided at the end of the chapter.

5.2 Key Findings

The main purpose of this study was to provide a comprehensive understanding of the concept of empowerment and examine an integrated model of empowerment that embraces the perspectives of multiple stakeholders, including employees, managers and customers, in organisational dynamics. The following research objectives were achieved:

1. To theoretically develop and empirically examine an integrated model of empowerment.
2. To theoretically develop a concept of empowerment disparity.
3. To empirically examine the direct effect of empowering behaviour and psychological empowerment from different perspectives, at both an individual level and a group-level.
4. To theoretically and empirically examine the mediating effect of psychological contract on psychological empowerment and its outcomes.
5. To theoretically and empirically examine the moderating effect of empowerment disparity on empowering behaviour and psychological empowerment, and psychological empowerment and psychological contract.
6. To empirically examine the direct effect of interaction quality on customer loyalty.

By achieving these objectives, the following research questions were answered, based on the hierarchical linear modelling analysis of data from managers, employees, and customers in the Thai restaurant industry.

1. From the perspective of employees, to what extent does psychological empowerment influence their level of work engagement?
2. From the perspective of customers, to what extent does employees' psychological empowerment influence interaction quality?
3. At an individual level, does psychological contract mediate the impact of psychological empowerment on work engagement and interaction quality?
4. Across different levels, to what extent does empowering behaviour from managers influence employees' psychological empowerment and psychological contract?
5. Across different levels, how do group dynamics moderate the impact of empowering behaviour on psychological empowerment, and the impact of psychological empowerment on psychological contract?
6. From the perspective of customers, to what extent does interaction quality influence customer loyalty?

The following sections highlight the most significant findings from Chapter 4 and reflect on findings in the existing literature and the theoretical background discussed in Chapter 2. The first section starts with the impact of psychological empowerment, which is the employees' perspective of empowerment. The second section focuses on the cross-level effect of empowering behaviour, which is the managers' perspective of empowerment. The third section emphasises the moderating effect of empowerment disparity, which is the group dynamic context, and the final section underlines the importance of interaction quality as evaluated by customers.

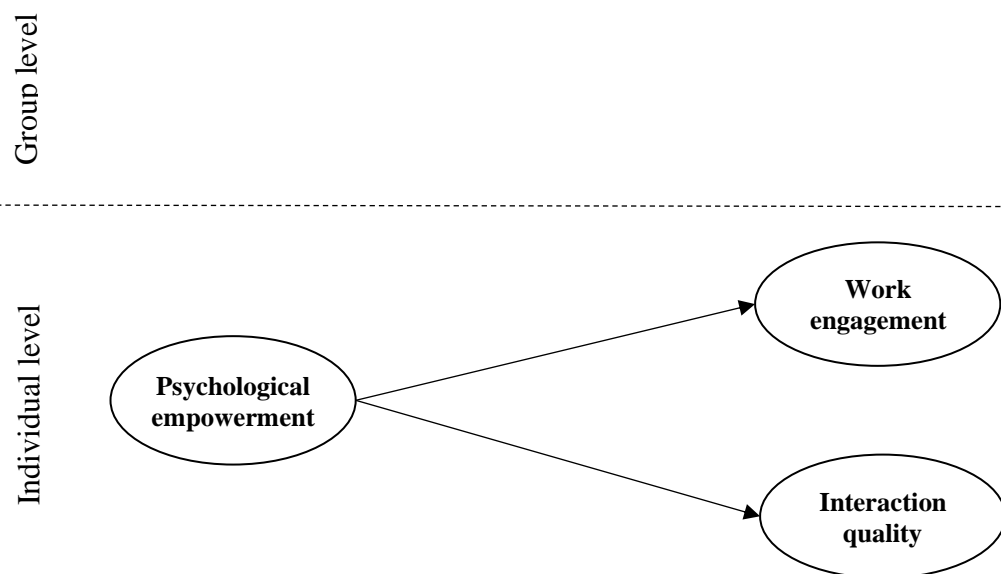
5.2.1 The Impact of Psychological Empowerment

The first two research questions in this study focused on the impacts of psychological empowerment from the employees' and customers' perspectives. The findings supported all the proposed hypotheses (see Figure 9).

In terms of the employees' perspective, their psychological empowerment had a positively and statistically significant influence on their work engagement. Specifically, employees' perceptions of empowerment in the Thai restaurant industry were slightly less than those of restaurant employees in the US (see Hancer & George, 2003). The levels of employees' work engagement in the Thai restaurant industry were shown to be similar to

those of Romanian hotel employees (see Karatepe & Karadas, 2015), but lower than those of US restaurant employees (see Orłowski et al., 2020), and hotel employees in China (see Guan et al., 2020). However, the Thai restaurant employees showed a higher level of engagement than did Indian hotel employees (see Nazir & Islam, 2019).

Figure 9: *Summary of the Direct Impact of Psychological Empowerment at an Individual Level*



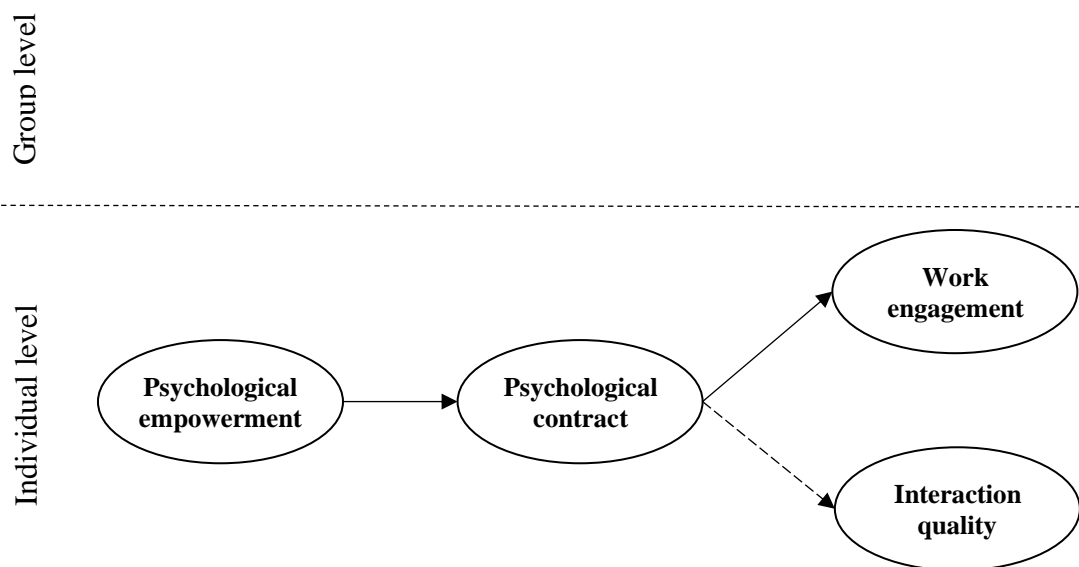
The significant influence of psychological empowerment on work engagement provides empirical evidence to support the JD-R model (see Demerouti et al., 2001) that conceptualises psychological empowerment as a job resource that can enhance work engagement. The evidence that psychological empowerment had a positive and significant influence on work engagement in this study is consistent with findings in previous studies. Specifically, Ugwu et al. (2014) found that psychological empowerment positively predicted work engagement in employees in banks and pharmaceutical companies in south-eastern Nigeria. Based on a study of hotel workers in Portugal, Moura et al. (2015) observed that psychological empowerment and work engagement were positively and significantly correlated. Similarly, Huertas-Valdivia et al. (2018) found that psychological empowerment predicted work engagement among Spanish hotel employees. A recent study by Srivastava and Singh (2020) also found a positive impact of psychological empowerment on employee engagement among Indian hotel employees.

In terms of the customers' perspective, employees' psychological empowerment influenced their interaction quality, positively and significantly. Interaction quality is defined as the customers' evaluations of employees' attitudes, behaviours, and expertise

during service performance (Kim et al., 2015). This study is the first attempt to conduct an empirical examination of the impact of psychological empowerment on interaction quality. The results support self-efficacy theory (see Bandura, 1977), which states that psychologically empowered employees who believe in their efficacy, can create a successful service encounter. However, the interaction quality as evaluated by the Thai restaurant customers in this study was lower than that of USA restaurant customers (see Kim et al., 2015), but slightly higher than that of UK service customers (see Ekinci & Dawes, 2009).

The third research question in this study sought to determine whether psychological contract mediated the impact of psychological empowerment and its outcomes from both the employees' and customers' perspectives. Psychological contract is defined as the individual beliefs based upon promises expressed or implied, about an implicit agreement between an individual and an organisation (Rousseau, 1995, 2004). As shown in Figure 10, the research findings supported the hypothesis that psychological contract mediated the effect of psychological empowerment on work engagement (see Table 19). Therefore, it can be concluded that employees' work engagement can be strengthened and enhanced by raising the level or fulfilling employees' perceptions of their psychological contract. Although employees' psychological contract did not mediate the effect of psychological empowerment on interaction quality, the study found a direct effect of psychological contract on interaction quality instead (see Table 20).

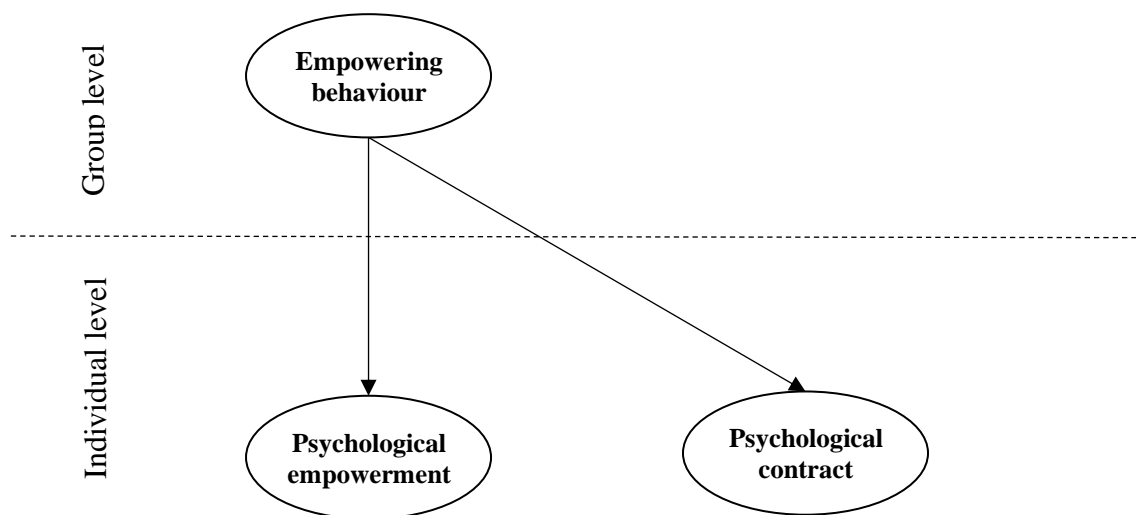
Figure 10: *Summary of the Mediation Effect of Psychological Contract Between Psychological Empowerment and its Outcomes at an Individual Level*



5.2.2 The Impact of Empowering Behaviour

The fourth research question in this study aimed to assess the extent to which managers' perceptions of their empowering behaviour influenced employees' outcomes. Two employee outcomes were examined, and the results supported the hypotheses that empowering behaviour had a positive and significant influence on employees' perceptions of empowerment and psychological contract (see Figure 11). This study provides empirical evidence that through the social information process, psychological empowerment and psychological contract were the affective reactions of empowering behaviour, which acts as affective events in workplaces.

Figure 11: Summary of the Cross-Level Direct Impact of Empowering Behaviour



Empowering behaviour is a set of behaviours characteristic of leaders who share power or allocate responsibilities and autonomy to their subordinates, which raises their subordinates' levels of intrinsic motivation (Cheong et al., 2016; Srivastava et al., 2006). Empowering behaviour in terms of allowing and encouraging initiative in employees was strong among the Thai restaurant managers in this study. However, in terms of problem-solving situations, the study found that the Thai restaurant managers rarely permitted employees to use their own judgement to solve problems. This could explain employees' poor perceptions of their impact on their work.

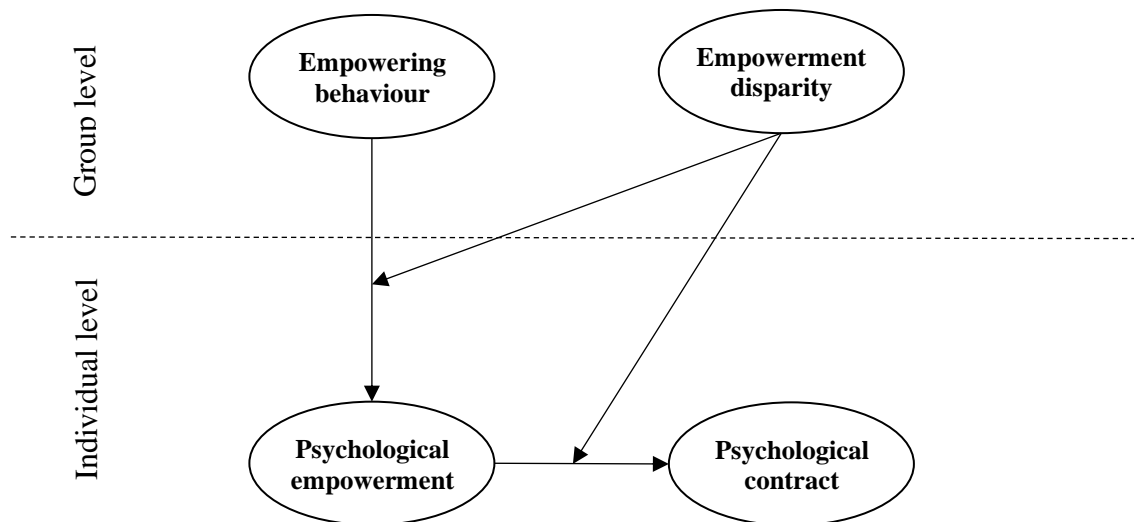
The results of this study show that managers' perceptions of their empowering behaviour had a significant and positive relationship with employees' perceptions of empowerment (see Table 21). These results are consistent with those of previous studies which also found that empowering leadership (albeit from the employees' perspective) was

positively related to psychological empowerment (see Ahearne et al., 2005; Alotaibi et al., 2020; Zhang & Bartol, 2010). The finding of this study also shows that managers' empowering behaviour positively influences the strength of the employees' psychological contract (see Table 22). This result is similar to that of Wu and Chen (2015), who posited that employees would perceive that their psychological contract was being fulfilled when they felt empowered or supported by their leaders.

5.2.3 The Impact of Empowerment Disparity

The fifth research question of this study concerned how empowerment disparity moderated the impact of empowering behaviour on psychological empowerment, and the impact of psychological empowerment on psychological contract. Empowerment disparity is a new perspective of empowerment proposed in this study which refers to the degree of within-group diversity in terms of vertical differences in employee empowerment. Using status hierarchy theory (Gould, 2002), the results of this study supported the hypotheses that empowerment disparity positively moderated the cross-level effect of managers' empowering behaviour on employees' psychological empowerment, and the individual effect of employees' psychological empowerment on their psychological contracts (see Figure 12).

Figure 12: Summary of the Cross-Level Moderation Effect of Empowerment Disparity



The results suggest that the greater the empowerment disparity in a workgroup, the stronger the effect of managers' empowering behaviour will be on employees' psychological empowerment. In the moderate to high empowerment disparity workgroup, where a clear status hierarchy was present among employees (according to their level of

psychological empowerment), managers' empowering behaviour was considered sacrosanct by the employees, particularly those with low levels of psychological empowerment and poor status within the workgroup. Although some studies suggested that some employees may not feel comfortable about being empowered (e.g., Magnini et al., 2013), there are different dimensions in which managers can empower employees. Employees can have a higher level in one dimension and a lower level in another, so managers' empowering behaviour can thus enhance employees' perceptions where their empowerment levels are high and increase their perceptions of empowerment in other dimensions. In this case, managers' empowering behaviour can be more favourable to employees regardless of their hierarchical status within the workgroup.

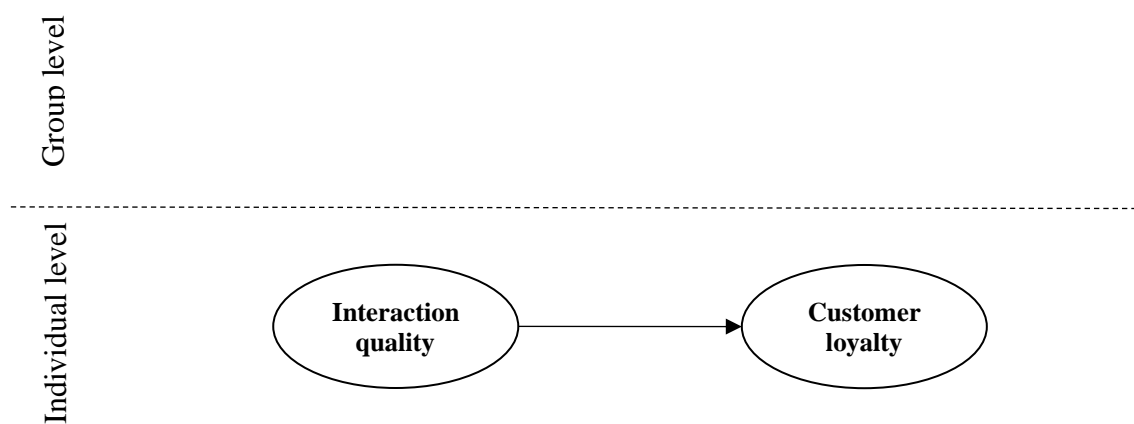
Similarly, the higher the empowerment disparity in a workgroup, the stronger was the effect of employees' psychological empowerment on their psychological contract. The evidence supported the notion that in a high empowerment disparity workgroup, employees with higher levels of psychological empowerment, typically at the top of the hierarchy, tend to have higher levels of competence, perceive that their jobs are more meaningful, and have more self-determination than other employees; thus, they feel more attached to their workgroup or organisation. Moreover, given their position within the group, they perceive that they are more valuable to the group and can do more for the organisation, and thus have greater obligations to the organisation. In a low or moderate empowerment disparity workgroup, the status hierarchy might not be as clear and there may be two or three employees of similar rank. Employees' feelings of attachment and self-importance may not be as strong or noticeable as those in the clearer hierarchy workgroups. However, within these low or moderate empowerment disparity workgroups, the results indicated that employees with greater psychological empowerment still had a stronger psychological contract with the group or organisation than did others within the same workgroup.

5.2.4 The Contribution of Interaction Quality to Customer Loyalty

In terms of the importance of interaction quality, the findings also indicated that customers' evaluations of interaction quality had a positive and significant influence on their loyalty (see Figure 13). Customer loyalty refers to a set of potential customer behaviours that lead them to purchase from the same company whenever possible, continue to recommend it and maintain a positive attitude towards that company

(Kandampully & Suhartanto, 2000). The results of this study indicated a high level of customer loyalty among the Thai restaurant customers - higher than that in a study of a Taiwanese resort's customers (see Chang, 2016), and a Thailand's low-cost airline carrier's customers (see Saha & Theingi, 2009). For interaction quality, the results of this study are similar to those of Alexandris et al. (2002), who found that service quality, particularly the human dimension (responsiveness, assurance, and empathy), explained a very high proportion of variance in word-of-mouth communications and purchase intentions among hotel customers in Greece.

Figure 13: *Summary of the Direct Impact of Interaction Quality on Customer Loyalty*



5.3 Theoretical Contributions of the Study

The focal aim of this study was to provide a comprehensive understanding of the construct of empowerment and examine its impact from multiple perspectives in organisational dynamics. By proposing a complex model of empowerment and testing it with a multilevel analysis, the study provides meaningful theoretical and methodological contributions to the empowerment literature in hospitality and tourism management, as discussed in this section.

The key theoretical contribution of this study is that it extends the concept of empowerment by introducing “empowerment disparity,” which represents the group perspective of empowerment. While previous studies of empowerment compared the influence of empowerment in different cultural settings or assumed that employees had collective perceptions of empowerment, this study argues otherwise. Specifically, the current study advances the knowledge of empowerment beyond cultural differences and emphasises a deeper understanding of empowerment in dynamic workgroups. Although

this might not be the first study to investigate empowerment at the group-level, previous research investigated the concept of team empowerment (Kirkman & Rosen, 1999; Seibert et al., 2011). This study, however, may be the first to conceptualise empowerment through the lens of group dynamics and examine its moderating role on the impact of empowerment across levels. This study responds to Liden et al. (2000) assertion that research should include both group and individual levels of analysis to fully understand the role of team member interactions and group process on empowerment and outcomes. With support from status hierarchy theory, the current study provides an explanation of how the dynamic nature of group members affects their perceptions of empowerment, which in turn positively affects their attitudes and behaviour. Additionally, by proposing empowerment disparity as a moderator, this research framework responds to Maynard, Gilson, et al. (2012) call to provide a moderator in relation to psychological empowerment and its antecedents/outcomes and provide clear guidance for future studies.

This study also contributes to the literature as one of the first to integrate multiple perspectives of empowerment in one study. Specifically, in terms of empowering behaviour, which represents the management practices of empowerment, this study applies the managers' views instead of those of the employees as used in previous studies. The purpose was not to discredit the results of previous work but to provide an alternative view of empowerment from those who execute it (i.e., the managers). For empowered employees, this presents both an individual perspective of empowerment (psychological empowerment) and a group perspective (empowerment disparity). The study also extends the current knowledge of the impact of empowerment by evaluating the outcomes of psychological empowerment from customers' perspective.

This study has extended the impact of empowerment from employees' work performances to customers' experiences, which are critical for hospitality businesses' profitability and sustainability. The extant studies of empowerment in the hospitality and tourism literature (see Appendix D) examined empowerment only in relation to employees and organisational performance, such as job satisfaction, job performance, organisational commitment, turnover intention, and business and financial performance. Few scholars examined customer outcomes, such as customer satisfaction and customers' perceived overall service quality. By integrating customers' experiences during the delivery of service, this study has presented a more complete explanation of the mechanics and importance of empowerment.

Furthermore, this study provides empirical evidence to confirm that employees' psychological empowerment increases their work engagement. Although previous studies have suggested that empowered employees appear more likely to have a higher level of engagement in their jobs, this study advances understandings by providing a mechanism to explain how this phenomenon can occur, by examining psychological contract as the mediator. With support from social exchange theory, the findings of this study indicate that being empowered can increase employees' sense of achievement and sense of ownership in an organisation, which also increases their sense of responsibility and results in more engagement in their jobs. However, psychological contract does not appear to be the mediating mechanism through which psychological empowerment influences interaction quality. This study also answers the call from Maynard, Gilson, et al. (2012) to explore the potential mediating relationships linked to psychological empowerment and provides clear guidance for future studies.

The key methodological contribution of this study is that it is one of very few to theoretically and empirically examine empowerment using multilevel analysis, particularly in the hospitality and tourism literature. Explicitly, the study conceptualises empowering behaviour and empowerment disparity at a group-level, as these have a cross-level effect on employees at the individual level. Unlike previous studies on the cross-level analysis of team-level empowering behaviour on individual level outcomes (see Chen et al., 2011; Li et al., 2017), this study measured a direct group-level score of empowering behaviour instead of aggregating employees' perceptions of managers' empowering leadership. Although data aggregation is widely accepted for multilevel analysis, data from the group-level that aligns with the level of analysis may be more robust (Kozlowski & Klein, 2000; Mathieu & Chen, 2011). Moreover, this study operationalised empowerment disparity by calculating the coefficient of the variation of psychological empowerment in each group; the results were shown to be sufficient. Hence, it also provides a clear reference for future studies.

Additionally, given the difficulty of collecting matching customer data, the insight from customers with regard to service from employees makes a significant contribution to the hospitality and tourism literature in itself. With this complex and unique set of data, this study provides valuable evidence that managers' empowering behaviour positively and significantly affects employees' psychological empowerment, which then affects the employees' attitudes and behaviour that can be perceived by customers. Since service

performance is more meaningful when evaluated by those who receive the service, this provides strong evidence that empowerment can help improve both an individual's and an organisation's performance.

The sample and research design of this study is a pioneering step in the empowerment literature in Thai hospitality and tourism studies. Most empowerment studies in the Thai context are cross-sectional studies based on individual level analysis from the employees' perspective. Moreover, the sample source for previous empowerment studies in Thailand was the airline industry (see Limpanitgul et al., 2017) and the hotel industry located in Bangkok, Thailand's capital city (see Afsar et al., 2018; Kim et al., 2009). The sample used in this study contained matched managers, employees, and customers from restaurants in five large provinces covering the northeastern, central and southern subcultures of Thailand. In addition to the capital city of Thailand, the other four provinces represent one of the most important tourist destinations, one of the main education provinces in the northeast, one of the major transportation hubs, and one of the leading cross-border business locations. This carefully designed sample provided additional geographical coverage for Thai hospitality and tourism studies and thus increases the reliability and generalisability of the research outcomes. Moreover, the matched responses between managers, employees, and customers reduce the chances of common method bias caused by the same person answering both the predictor and outcome variables at the same time (see Podsakoff et al., 2003). Additionally, the multilevel research design of this study enriches the research methodology literature for Thai hospitality and tourism studies and establishes a methodological example for future research.

Lastly, this study provides a comprehensive summary of the concept of empowerment studies in the hospitality and tourism literature via a systematic review (see Table 4 in Section 2.4 and Appendix D). The review revealed the current state of empowerment studies in the hospitality and tourism literature in terms of what has been done in regard to antecedents, consequences, mediators, moderators, methodological approaches, samples, and context examined. As such, it contributes to the literature by providing reference information and highlighting potential research gaps, or what can be done, for future research.

5.4 Implications and Recommendations for the Industry

This study demonstrates that empowerment is essential to the success of hospitality businesses. Given the positive impacts of empowerment at all levels, the findings provide meaningful managerial implications, which can be used as a reference for hospitality practitioners and organisations.

At the organisation level, the business's goals, visions and mission statement should be clearly stated so that employees at all levels and in every department can align their values with those of the organisation. Hospitality organisations that focus on service quality should create empowerment policies and procedures that can be easily understood by all employees. The practice and execution of empowerment should be encouraged throughout organisational structures to create an empowering work environment for managers and employees. To do that, hospitality organisations need to ensure that managers have the opportunity and are adequately prepared to empower their employees, and the employees also need to be ready to be empowered. Hospitality practitioners play a very significant role in establishing an appropriate environment for successful empowerment.

At the management level, hospitality practitioners and managers should keep in mind that managers' behaviours can enhance employees' psychological empowerment and their psychological contract. When managers trust and encourage employees to take the initiative in their work, employees' perceptions of empowerment and their psychological contract are increased. Therefore, hospitality practitioners should create guidelines or specific information for managers in terms of how to encourage their employees at work. Indeed, managers' empowering behaviour should be evaluated early in the recruitment and selection system. Hospitality practitioners could develop a training programme for managers to improve their competence so they can reach the desired level of empowering behaviour. Empowering behaviour surveys should also be regularly conducted to measure both managers' own perceptions of their empowering behaviour, as well as employees' perceptions of managers' empowering behaviour.

The results of this study provide evidence that employees' psychological empowerment helps to improve both individual and organisational outcomes. Thus, hospitality practitioners and managers should pay closer attention to effectively monitoring and

increasing employees' levels of psychological empowerment. Specifically, managers are encouraged to empower their employees, particularly in the sense of the meaningfulness of their work. To do so, managers should consistently remind employees how important they are and how meaningful their jobs are. This process could be begun during the early stages of employment, such as in orientation. When employees feel that their jobs are meaningful to the organisation, they become empowered. Likewise, when they believe that their jobs are personally meaningful to them, they tend to have a positive relational psychological contract with their organisation. As a result, when employees are empowered, they are more vigorous, dedicated, and absorbed in their jobs. However, if they are not engaged, despite being empowered, hospitality practitioners and managers need to examine whether their employees' psychological contract have been fulfilled.

Customers tend to positively evaluate interactions with empowered employees. These positive encounters during service interactions lead to desired organisational outcomes – particularly customer loyalty. Hence, managers need to recognise and understand that employees' psychological empowerment and psychological contract are related to customer loyalty. It may be prudent to measure employees' attitudes regarding their levels of empowerment and psychological contract so that any necessary corrective action can be taken. In addition to assigning meaning to tasks, managers should also express confidence in employees' abilities to do their jobs. Employees should also be made aware that their attitudes and behaviours have a profound influence on customers' evaluations of service interactions. To help employees become more confident and competent, hospitality practitioners and managers should regularly and systematically provide training and education to employees.

At the team-level, the results of this study demonstrate the strong and positive impact of empowerment in groups with high empowerment disparity. This means that a shared perception of empowerment is beneficial for enhancing employees' psychological states. Specifically, some employees may not feel empowered, but their team members may perceive otherwise, so they may also perceive that they are empowered to some extent. Managers should keep in mind that the more they empower their employees, the greater their psychological empowerment and the stronger their psychological contract will be with the company. Hence, hospitality organisations and practitioners should inspire team managers to practise empowering behaviour at work, where employees are ready to be empowered. Team managers should try to share power and control with all of their group

members to ensure their teams are fully empowered. To do so, managers will need to have a solid understanding of the team's dynamics and employees' readiness to be empowered, to ensure that their efforts in empowering their team members do not have any harmful effects on team performance or particular employees within the team.

5.5 Limitations and Recommendations for Future Research

Although this study offers a number of important insights into employee empowerment in the hospitality and tourism industry, the following limitations should be taken into account when interpreting the findings.

To collect the data, this research followed the three-step data collection procedure strictly to ensure data quality. The first step of the recruitment process was to contact restaurant managers and obtain their agreement to participate in the study, and the second step was to recruit employees through group meetings at the restaurants. However, the meetings were organised through the managers, so although participation was voluntary, participating employees may have felt some pressure during the recruitment process, both from their manager and their co-workers. The third step was to collect customer responses through the participating employees, so there was a possibility that the employees might hand out questionnaires just to regular customers or kind-looking customers, to avoid any potential problems. Moreover, since the data collection took place during their dining experience, the reliability of customers' answers may be questionable. Hence, this uncontrollable situation might be considered as a limitation. Future research could consider having a research assistant collect responses from customers to avoid possible relationship bias during this process. Additionally, future research may also consider using an online survey, which could be accessible through a QR (quick response) code, or via an electronic version of the survey.

A second limitation is the possibility of common method bias caused by the same person answering both the predictor and outcome variables at the same time (Podsakoff et al., 2003). Although this study was designed to collect data from multiple sources (managers, employees, and customers) to prevent this problem, it was inevitable that self-reported data would be collected from employees for a few constructs. However, a confirmation factor analysis (CFA) was conducted, which confirmed convergent and discriminant validity in the measured variables in the study. Future research may consider a time-

lagged process when collecting data from employees to prevent the possibility of common method bias.

A third limitation is in the operationalisation of the empowerment disparity concept. This study operationalised the concept of empowerment disparity by calculating the coefficient of variation of psychological empowerment in each group, as suggested by Harrison and Klein (2007). Future researchers are encouraged to compare different calculations or measurements when examining empowerment disparity, which can also be measured using the Gini coefficient, social network centralisation, or via direct measurement of disparity (Buengeler et al., 2020; Harrison & Klein, 2007).

The context of this study is a further limitation, as it was limited to the table service restaurant industry. Although the restaurant industry is fundamental to all hospitality and tourism environments (DiPietro, 2017), the findings should be interpreted cautiously. Future research is warranted to include other sectors such as the hotel industry and/or travel industry to help validate the findings of this study. Moreover, future studies may also incorporate cultural value differences to assess whether the findings hold true for empowerment in different cultural settings.

In addition, as the data were collected prior to the COVID-19 pandemic, the effects of employee empowerment need to be understood during normal circumstances. The results may be different after the pandemic, due to possible changes in the nature of services, especially in the restaurant sector. For example, there might be fewer physical encounters between employees and customers but more online or by telephone. A quicker service and a more accurate response may become more crucial in such contexts, while the service delivery period might be shorter. Therefore, future research should replicate this study to examine the effects of the empowering, the empowered, and empowerment disparity to compare the results with those of the current study.

Future research is also encouraged to examine other customer outcomes in relation to empowerment. Potential mediators explaining empowered employees and customer outcomes should also be explored. Future research could examine different dimensions of empowering behaviour, and psychological empowerment and its outcomes, so that a more insightful implication could be explored. While there might be studies investigating the link between empowering behaviour from both managers' and employees'

perspectives, such as in this study, a comparison between how managers perceive their empowering behaviour and how employees perceive managers' empowering behaviour might also be a fruitful area to explore.

Future study is also encouraged to investigate other antecedents of empowerment at a higher level, such as department or organisational level. A multilevel analysis including customers' level as the outcome level of empowerment is also strongly recommended. Personal and contextual factors could also be investigated as additional moderators in the current model. Empowerment disparity, which is currently an effective moderator, could also be conceptualised as an antecedent of employee outcomes in future studies. However, since the concept of empowerment disparity was first introduced in this research, and the results are based on data collected from Thai restaurant employees, future research is recommended to investigate empowerment disparity as a moderator in different contexts, such as across cultures or other service sectors, to compare the results and discover whether the findings can be generalised.

5.6 Conclusion

Concepts of employee empowerment have been widely implemented in the hospitality and tourism industry. However, a comprehensive understanding of the impacts of empowerment was needed. How empowerment is perceived by managers, employees, and customers is an area that can be further explored, and the dynamic nature of workgroups also needs to be taken into account. With a quantitative research design, this research provides significant evidence from a matched sample of managers, employees, and customers, through a multilevel analysis. The findings have revealed the importance of managers' perceptions of their empowering behaviour, and how they can influence employees. In the eyes of the customers, the most positive performance evaluations in terms of interaction quality were given to the most empowered employees. A black box mechanism of psychological empowerment was also analysed. Psychological contract proved to enhance the level of work engagement of empowered employees. Furthermore, the dynamic between team members was conceptualised as empowerment disparity, which was found to be a helpful group moderator.

This PhD research may not be sufficient in solving all the problems in any organisation, as one size might not fit all, nonetheless, this research is meaningful in that it highlights

individual differences. It is management's job to make use of individual differences and strategically utilise empowerment to enable all employees to work in harmony in a dynamic workgroup environment.

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APPENDICES

Appendix A: Ethical Approval from AUT Ethics Committee



Auckland University of Technology Ethics Committee (AUTEC)

Auckland University of Technology
D-88, Private Bag 92006, Auckland 1142, NZ
T: +64 9 921 9999 ext. 8316
E: ethics@aut.ac.nz
www.aut.ac.nz/researchethics

9 May 2019

BeomCheol (Peter) Kim
Faculty of Culture and Society

Dear Peter

Ethics Application: 19/166 An examination of the outcomes of employee empowerment from the customers' perspective in the Thai restaurant industry: A multilevel analysis

Thank you for submitting your application for ethical review. I am pleased to advise that a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) approved your ethics application, subject to the following conditions:

1. Provision of assurance that the box for responses will be secured so that only the researcher may open it, noting that employees could be at risk if the employer had access to the responses.
2. Amendment of the Information Sheet as follows:
 - a. Please insert the costs of time;
 - b. Advise that although others may be aware, they are completing a survey at the restaurant, their surveys will be anonymous;
 - c. Provide assurances as per 1) above;
 - d. Modify the statement regarding direct benefit to employees;
 - e. In the staff members Information Sheet provide advice that they are being asked to distribute the survey to customers.

Please provide me with a response to the points raised in these conditions, indicating either how you have satisfied these points or proposing an alternative approach. AUTEC also requires copies of any altered documents, such as Information Sheets, surveys etc. You are not required to resubmit the application form again. Any changes to responses in the form required by the committee in their conditions may be included in a supporting memorandum.

Please note that the Committee is always willing to discuss with applicants the points that have been made. There may be information that has not been made available to the Committee, or aspects of the research may not have been fully understood.

Once your response is received and confirmed as satisfying the Committee's points, you will be notified of the full approval of your ethics application. Full approval is not effective until all the conditions have been met. Data collection may not commence until full approval has been confirmed. If these conditions are not met within six months, your application may be closed and a new application will be required if you wish to continue with this research.

To enable us to provide you with efficient service, we ask that you use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at ethics@aut.ac.nz.

I look forward to hearing from you,

Yours sincerely

Kate O'Connor
Executive Manager
Auckland University of Technology Ethics Committee

Cc: qnr1284@aut.ac.nz; Pola Wang

Appendix B: Research Tools

Appendix B.a. Manager Version Questionnaire

Section 1: Please indicate your level of agreement with the following statements where 1 = strongly disagree and 7 = strongly agree.

Empowerment		←SD SA→						
1	I allow employees complete freedom in their work	1	2	3	4	5	6	7
2	I permit employees to use their own judgment in solving problems	1	2	3	4	5	6	7
3	I encourage initiative in my employees.	1	2	3	4	5	6	7
4	I let employees do their work the way they think best	1	2	3	4	5	6	7
5	I assign tasks, then let employees handle them	1	2	3	4	5	6	7
6	I turn employees loose on a job and let them go to it	1	2	3	4	5	6	7
7	I allow employees a high degree of initiative	1	2	3	4	5	6	7
8	I trust employees to exercise good judgment	1	2	3	4	5	6	7

Section 2: Personal Background

1. Gender 1) Male 2) Female
2. Age
3. Marital status 1) Single 2) Married
 3) Divorce
4. Education 1) Under undergraduate 2) Undergraduate
 3) Postgraduate
5. Have you ever attended school to receive an education in hospitality?
 1) Never 2) Short course
 3) Diploma/Certificate 4) Bachelor's degree or higher
6. How long have you been working at this restaurant? Years Months
7. How long have you been working in the industry? Years Months
8. I am the 1) Manager 2) Owner
9. Management styles 1) Family-own 2) Franchise
 3) Joint venture
10. Types of restaurant 1) Café and Bistro 2) Casual dining
 3) Fine dining
11. Size of the restaurant (numbers of employees) people
12. Size of the restaurant (numbers of coverage) seats

Appendix B.b. Employee Version Questionnaire

Section 1: Please indicate your level of agreement with the following statements where 1 = strongly disagree and 7 = strongly agree.

Perception of psychological empowerment		←SD SA→						
M1	The work I do is very important to me	1	2	3	4	5	6	7
M2	My job activities are personally meaningful to me	1	2	3	4	5	6	7
M3	The work I do is meaningful to me	1	2	3	4	5	6	7
C1	I am confident about my ability to do my job	1	2	3	4	5	6	7
C2	I am self-assured about my capabilities to perform my work activities	1	2	3	4	5	6	7
C3	I have mastered the skills necessary for my job	1	2	3	4	5	6	7
S1	I have significant autonomy in determining how I do my job	1	2	3	4	5	6	7
S2	I can decide on my own how to go about doing my work	1	2	3	4	5	6	7
S3	I have considerable opportunity for independence and freedom in how I do my job	1	2	3	4	5	6	7
I1	My impact on what happens in my work is large	1	2	3	4	5	6	7
I2	I have a great deal of control over what happens in my work	1	2	3	4	5	6	7
I3	I have a significant influence over what happens in my work	1	2	3	4	5	6	7
Perception of psychological contract		←SD SA→						
R1	I expect to grow in this restaurant	1	2	3	4	5	6	7
R2	I feel part of a team in this restaurant	1	2	3	4	5	6	7
R3	I have a reasonable chance of promotion if I work hard	1	2	3	4	5	6	7
R4	To me working for this restaurant is like being a member of a family	1	2	3	4	5	6	7
R5	The restaurant develops/rewards employees who work hard and exert themselves	1	2	3	4	5	6	7
R6	I expect to gain promotion in this restaurant with length of service and effort to achieve goals	1	2	3	4	5	6	7
R7	I feel this restaurant reciprocates the effort put in by its employees	1	2	3	4	5	6	7
R8	My career path in the restaurant is clearly mapped out	1	2	3	4	5	6	7
R9	I am motivated to contribute 100% to this restaurant in return for future employment benefits	1	2	3	4	5	6	7

Section 2: Please indicate your level of agreement with the following statements where 0 = never and 6 = always.

Work engagement		←Never				Always→			
V1	At my work, I feel bursting with energy	0	1	2	3	4	5	6	
V2	At my job, I feel strong and vigorous	0	1	2	3	4	5	6	
V3	When I get up in the morning, I feel like going to work	0	1	2	3	4	5	6	
D1	I am enthusiastic about my job	0	1	2	3	4	5	6	
D2	My job inspires me	0	1	2	3	4	5	6	
D3	I am proud of the work that I do	0	1	2	3	4	5	6	
A1	I feel happy when I am working intensely	0	1	2	3	4	5	6	
A2	I am immersed in my work	0	1	2	3	4	5	6	
A3	I get carried away when I am working	0	1	2	3	4	5	6	

Section 3: Personal Background

1. Gender 1) Male 2) Female
2. Age
3. Marital status 1) Single 2) Married
 3) Divorce
4. Education 1) Under undergraduate 2) Undergraduate
 3) Postgraduate
5. Have you ever attended school to receive an education in hospitality?
 1) Never 2) Short course
 3) Diploma/Certificate 4) Bachelor's degree or higher
6. Current work status 1) Full-time 2) Part-time
7. How long have you been working at this restaurant? Years Months
8. How long have you been working in the industry? Years Months

Appendix B.c. Customer Version Questionnaire

Section 1: Please indicate your level of agreement with the following statements where 1 = strongly disagree and 7 = strongly agree.

Perception of interaction quality		←SD						SA→
A1	I can count on the employees at the restaurant being friendly	1	2	3	4	5	6	7
A2	The attitude of the restaurant's employees demonstrates their willingness to help me	1	2	3	4	5	6	7
A3	The attitude of the restaurant's employees shows me that they understand my needs	1	2	3	4	5	6	7
B1	I can count on the restaurant's employees taking actions to address my needs	1	2	3	4	5	6	7
B2	The restaurant's employees respond quickly to my needs	1	2	3	4	5	6	7
B3	The behaviour of the restaurant's employees indicates to me that they understand my needs	1	2	3	4	5	6	7
E1	I can count on the restaurant's employees to know their jobs	1	2	3	4	5	6	7
E2	The restaurant's employees are able to answer my questions quickly	1	2	3	4	5	6	7
E3	The employees understand that I rely on their knowledge to meet my needs	1	2	3	4	5	6	7
Customer loyalty		←SD						SA→
1	I would like to come back to this restaurant in the future	1	2	3	4	5	6	7
2	I would consider revisiting this restaurant in the future	1	2	3	4	5	6	7
3	I would recommend this restaurant to my friends or others	1	2	3	4	5	6	7
4	I would say positive things about this restaurant to others	1	2	3	4	5	6	7
5	I would encourage others to visit this restaurant	1	2	3	4	5	6	7

Section 2: Personal Background

1. Gender 1) Male 2) Female
2. Age
3. Education 1) High school 2) Undergraduate
 3) Postgraduate
4. Current work status 1) Student 2) Part-time worker
 3) Full-time worker 4) Self-employed
 5) Between job
5. Monthly income 1) 15,000 or under 2) 15,001 – 25,000

3) 25,001 – 35,000

4) 35,001 – 45,000

5) 45,001 – 55,000

6) Over 55,000

6. Who are you coming with 1) Alone

2) Friends

3) Family

4) Colleague

5) Partner

7. How often have you come to this restaurant?

1) First time

2) Once a month or less

3) 2-3 times/month

4) Once a week

5) 2-3 times/week

Appendix B.d. Participation Information Sheet for Managers

Date Information Sheet Produced:

1st July 2019

Project Title

An examination of the outcomes of employee empowerment from the customers' perspective in the Thai restaurant industry: A multilevel analysis

An Invitation

Sa-wad-dee-ka, my name is Pattamol Kanjanakan. I am a Ph.D. Candidate in the School of Hospitality and Tourism, Department of Culture and Society at Auckland University of Technology, New Zealand. I am also a former lecturer at Khon Kaen University International College. I am writing to invite you to participate in this study on 'how psychological empowerment influences customer's perception of interaction quality in the Thai restaurant context.' Participation in this research is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. I would like to assure you that participation or non-participation will neither advantage nor disadvantage you in any way and that participation in the study will be completely **CONFIDENTIAL**.

What is the purpose of this research?

This research investigates how employees' perceptions of psychological empowerment influences the customers' perceptions of interaction quality in the restaurant context. This research seeks to expand the psychological empowerment framework by proposing the concept of employee empowerment differentiation which emerges at a group-level. The findings from this research will have implications for practical solutions to staffing issues and help to improve the efficiency of performance in the hospitality industry. The findings may be used for academic publications or presentations.

How was I identified and why am I being invited to participate in this research?

You are identified and invited to participate in this research since you are either a manager or an owner of a restaurant in Khon Kaen Province.

How do I agree to participate in this research?

Completing the questionnaire will indicate you have consented to participate. Please be advised that by participating in this study, you have agreed to allow me to distribute

the survey to employees, and the employees distribute the survey to customers, and not to identify them.

Your participation in this research is voluntary (it is your choice) and whether or not you choose to participate will neither advantage nor disadvantage you. You are able to withdraw from the study at any time. However, once you put the questionnaire in the box it cannot be withdrawn.

What will happen in this research?

I distribute you the survey for you to fill out. Once you've completed the survey, please place it in the enclosed envelope and contact me for collection. I will encode your response and use it only in a combined statistical form.

Once your survey has been collected, you will be asked to arrange a meeting for me and your employees at the best suite your restaurant. During this meeting, I will explain the aim of the study and answer any questions or concerns raised by employees. I will distribute the survey packages to those employees who are willing to participate in the and instruct them about the surveys.

What are the discomforts and risks?

There are no discomfort or risks at any kinds as you can withdraw from the study at any time.

What are the benefits?

This research is conducted as part of my Doctor of Philosophy thesis and may also contribute to other academic publications and presentations as part of the qualification. The results of this study will contribute to a better understanding of employees' perceptions of empowerment and how it influences customers' perception of interaction quality in the restaurant context. You will gain a better understanding on how employee empowerment effect employees' work performance which you can apply it to your service quality improvement strategy.

How will my privacy be protected?

Your response will be anonymous. No one but me will have the access to your response and that will be securely locked up and then shredded after six years.

What are the costs of participating in this research?

There will be no cost of participating in this research. The survey will take you approximately 5-7 minutes during your working hours.

What opportunity do I have to consider this invitation?

After you have read the information sheet, you have one week to consider this invitation.

Will I receive feedback on the results of this research?

Individual feedback will not be available as your participation is anonymous, but the summary of findings will be available from NZTRI website. The link is provided here: <http://www.nztri.org.nz>

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Peter Kim*, pkim@aut.ac.nz, 09-9219999 ext 6105. Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, ethics@aut.ac.nz, 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Pattamol Kanjanakan
qrr1284@aut.ac.nz
WH515 School of Hospitality and Tourism
Faculty of Culture and Society
AUT University Private Bag 92006

Project Supervisor Contact Details:

Dr Peter BC Kim
pkim@aut.ac.nz
09-9219999 ext 6105
AUT University

Approved by the Auckland University of Technology Ethics Committee on 27 May 2019, AUTEK Reference number 19/166.

Appendix B.e. Participation Information Sheet for Employees

Date Information Sheet Produced:

6th May 2019

Project Title

An examination of the outcomes of employee empowerment from the customers' perspective in the Thai restaurant industry: A multilevel analysis

An Invitation

Sa-wad-dee-ka, my name is Pattamol Kanjanakan. I am a Ph.D. Candidate in the School of Hospitality and Tourism, Department of Culture and Society at Auckland University of Technology, New Zealand. I am also a former lecturer at Khon Kaen University International College. I am writing to invite you to participate in this study on 'how psychological empowerment influences customer's perception of interaction quality in the Thai restaurant context.' Participation in this research is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. I would like to assure you that participation or non-participation will neither advantage nor disadvantage you in any way and that participation in the study will be completely **CONFIDENTIAL**.

What is the purpose of this research?

This research investigates how employees' perceptions of psychological empowerment influences the customers' perceptions of interaction quality in the restaurant context. This research seeks to expand the psychological empowerment framework by proposing the concept of employee empowerment differentiation which emerges at a group-level. The findings from this research will have implications for practical solutions to staffing issues and help to improve the efficiency of performance in the hospitality industry. The findings may be used for academic publications or presentations.

How was I identified and why am I being invited to participate in this research?

You are identified and invited to participate in this research since you work in a restaurant taking part in the research.

How do I agree to participate in this research?

Completing the questionnaire will indicate you have consented to participate. Please be advised that by participating in this study, you have agreed to distribute the survey to customers and not to identify them.

Your participation in this research is voluntary (it is your choice) and whether or not you choose to participate will neither advantage nor disadvantage you. You are able to withdraw from the study at any time. However, once you put the questionnaire in the box it cannot be withdrawn.

What will happen in this research?

I distribute you the survey for you to fill out. Once you've completed the survey, please place it in the enclosed envelope and put it in the secured box provided so only I may open it to ensure anonymity and confidentiality. Please be assured that your manager or other employees will not see your response. I will encode your response and use it only in a combined statistical form.

Within one or two weeks after you have completed the survey, you will distribute the remaining survey to your customers on their arrival. Customer Participation Information Sheet will be attached to the envelope, so the customers (potential participants) can read and then decide whether they would like to take part in the study or not. If not, you can approach other customers using that unopened envelope.

What are the discomforts and risks?

There are no discomfort or risks at any kinds as you can withdraw from the study at any time.

What are the benefits?

This research is conducted as part of my Doctor of Philosophy thesis and may also contribute to other academic publications and presentations as part of the qualification. The results of this study will contribute to a better understanding of employees' perceptions of empowerment and how it influences customers' perception of interaction quality in the restaurant context. You will gain a better understanding on how employee empowerment effect employees' work performance. You will have a direct benefit from the managers' implementation such as more personal care to improve your well-being and supportive working environment.

How will my privacy be protected?

Your response will be anonymous. No one but me will have the access to your response and that will be securely locked up and then shredded after six years.

What are the costs of participating in this research?

There will be no cost of participating in this research. The survey will take you approximately 10-15 minutes during your working hours.

What opportunity do I have to consider this invitation?

After you have read the information sheet, you have one to two weeks to consider this invitation.

Will I receive feedback on the results of this research?

Individual feedback will not be available as your participation is anonymous, but the summary of findings will be available from NZTRI website. The link is provided here: <http://www.nztri.org.nz>

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Peter Kim*, pkim@aut.ac.nz, 09-9219999 ext 6105. Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, ethics@aut.ac.nz, 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Pattamol Kanjanakan
qrr1284@aut.ac.nz
WH515 School of Hospitality and Tourism
Faculty of Culture and Society
AUT University Private Bag 92006

Project Supervisor Contact Details:

Dr Peter BC Kim
pkim@aut.ac.nz
09-9219999 ext 6105
AUT University

Approved by the Auckland University of Technology Ethics Committee on 27 May 2019, AUTEK Reference number 19/166.

Appendix B.f. Participation Information Sheet for Customers

Date Information Sheet Produced:

6th May 2019

Project Title

An examination of the outcomes of employee empowerment from the customers' perspective in the Thai restaurant industry: A multilevel analysis

An Invitation

Sa-wad-dee-ka, my name is Pattamol Kanjanakan. I am a Ph.D. Candidate in the School of Hospitality and Tourism, Department of Culture and Society at Auckland University of Technology, New Zealand. I am also a former lecturer at Khon Kaen University International College. I am writing to invite you to participate in this study on 'how psychological empowerment influences customer's perception of interaction quality in the Thai restaurant context.' Participation in this research is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. I would like to assure you that participation or non-participation will neither advantage nor disadvantage you in any way and that participation in the study will be completely **CONFIDENTIAL**.

What is the purpose of this research?

This research investigates how employees' perceptions of psychological empowerment influences the customers' perceptions of interaction quality in the restaurant context. This research seeks to expand the psychological empowerment framework by proposing the concept of employee empowerment differentiation which emerges at a group-level. The findings from this research will have implications for practical solutions to staffing issues and help to improve the efficiency of performance in the hospitality industry. The findings may be used for academic publications or presentations.

How was I identified and why am I being invited to participate in this research?

You are identified and invited to participate in this research since you are a customer of the participated restaurant.

How do I agree to participate in this research?

Completing the questionnaire will indicate you have consented to participate. Your participation in this research is voluntary (it is your choice) and whether or not you choose to participate will neither advantage nor disadvantage you. You are able

to withdraw from the study at any time. However, once you put the questionnaire in the box it cannot be withdrawn.

What will happen in this research?

The survey is distributed for you to fill out. Once you've completed the survey, please place it in the enclosed envelope and put it in the secured box provided at the counter before you leave the restaurant. I will encode your response and use it only in a combined statistical form.

What are the discomforts and risks?

There are no discomfort or risks at any kinds.

What are the benefits?

This research is conducted as part of my Doctor of Philosophy thesis and may also contribute to other academic publications and presentations as part of the qualification. The finding of this study will contribute to a better understanding of employees' perception of empowerment and how it influences service interaction quality in the restaurant context. Service managers can implement the findings to help improve the quality of service which the customers will have a direct benefit from a better service interaction quality provided by employees.

How will my privacy be protected?

Although others may be aware, you are completing a survey at the restaurant, your surveys will be anonymous. No one but me will have the access to your response and that will be securely locked up and then shredded after six years.

What are the costs of participating in this research?

The only cost to you is your time. The survey will take you approximately 3-5 minutes to complete.

What opportunity do I have to consider this invitation?

The information sheet and questionnaire will be provided to you at your arrival. You have until you finish your dining experience to consider this invitation.

Will I receive feedback on the results of this research?

Individual feedback will not be available as your participation is anonymous, but the summary of findings will be available from NZTRI website. The link is provided here:
<http://www.nztri.org.nz>

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Peter Kim*, pkim@aut.ac.nz, 09-9219999 ext 6105.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, ethics@aut.ac.nz, 921 9999 ext 6038.

Whom do I contact for further information about this research?

Please keep this Information Sheet for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Pattamol Kanjanakan
qrr1284@aut.ac.nz
WH515 School of Hospitality and Tourism
Faculty of Culture and Society
AUT University Private Bag 92006

Project Supervisor Contact Details:

Dr Peter BC Kim
pkim@aut.ac.nz
09-9219999 ext 6105
AUT University

**Approved by the Auckland University of Technology Ethics Committee on 27 May
2019, AUTEK Reference number 19/166.**

ส่วนที่ 2: โปรดทำเครื่องหมาย ✓ ในช่องที่ตรงกับความเห็นของท่านมากที่สุด

ไม่เคย	แทบจะไม่เคย	นานๆ ครั้ง	บางครั้ง	บ่อยครั้ง	บ่อยมาก	เสมอ
0	1	2	3	4	5	6
ไม่เคย	ไม่กี่ครั้งต่อปี หรือน้อยกว่า นั้น	เดือนละครั้ง หรือน้อยกว่า นั้น	สองสามครั้ง ต่อเดือน	อาทิตย์ละ ครั้ง	สองสามครั้ง ต่ออาทิตย์	ทุกวัน

การทำงานและสวัสดิภาพ (Work and Well-being)		← ไม่เคย		เสมอ →				
V1	เมื่ออยู่ที่ทำงาน ฉันรู้สึกเปี่ยมไปด้วยพลัง	0	1	2	3	4	5	6
V2	เมื่ออยู่ที่ทำงาน ฉันรู้สึกกระตือรือร้น	0	1	2	3	4	5	6
V3	เมื่อฉันตื่นนอนตอนเช้า ฉันรู้สึกอยากไปทำงาน	0	1	2	3	4	5	6
D1	ฉันกระตือรือร้นในการทำงานของฉัน	0	1	2	3	4	5	6
D2	งานของฉันเป็นแรงบันดาลใจให้ฉัน	0	1	2	3	4	5	6
D3	ฉันภูมิใจในงานที่ฉันทำ	0	1	2	3	4	5	6
A1	ฉันรู้สึกมีความสุขเมื่อฉันทำงานอย่างตั้งอกตั้งใจ	0	1	2	3	4	5	6
A2	ฉันจดจ่อกับการทำงานของฉัน	0	1	2	3	4	5	6
A3	ฉันมักจะทำงานจนลืมเวลา	0	1	2	3	4	5	6

ส่วนที่ 3: ข้อมูลทั่วไปของผู้ตอบแบบสอบถาม

- เพศ 1) ชาย 2) หญิง
- อายุปี
- สถานะ 1) โสด 2) สมรส 3) หม้าย
- ระดับการศึกษา 1) ต่ำกว่าปริญญาตรี 2) ปริญญาตรี 3) สูงกว่าปริญญาตรี
- ท่านเคยเข้ารับการศึกษาด้านการบริการหรือไม่?
 1) ไม่เคย 2) หลักสูตรระยะสั้น
 3) หลักสูตรอนุปริญญา 4) หลักสูตรปริญญาตรีหรือสูงกว่า
- สถานะการทำงานปัจจุบัน 1) พนักงานประจำ 2) พนักงานชั่วคราว
- ท่านทำงานที่ร้านนี้มานานเท่าไรแล้วปี เดือน
- ท่านทำงานในวงการร้านอาหารมานานเท่าไรแล้ว ปี เดือน

Appendix D: Systematic Review

Systematic Review of the Hospitality and Tourism Literature on Employee Empowerment

A systematic review approach was used to determine how employee empowerment has been studied in the hospitality and tourism literature and to help categorise and identify gaps in the literature (C. S. Kim et al., 2018). The terms “employee empowerment” and “psychological empowerment” were entered as keyword searches in the Hospitality & Tourism Complete database, which was selected as a source of information. There were 605 papers identified as of 9th April 2020, dating back to 1979. After screening for inclusion and exclusion criteria, 71 empirical studies remained for analysis.

Each study was then coded for specific study characteristics and contextual information, including:

- authors and year of publication
- concept of empowerment: psychological empowerment represented employees’ experiences of empowerment, and managerial empowerment represented managers’ behaviours, style, or strategies through empowerment
- outcomes of empowerment that were directly or indirectly (through a mediator) related to empowerment
- mediator: this could be empowerment itself or any construct that mediated empowerment and its outcomes
- moderator: this could be empowerment itself or any construct that moderated empowerment and its outcomes
- level of analysis such as individual or multilevel analysis
- study sample such as managers, or/and employees, or/and customers
- study context such as hotels, restaurants, or others
- study location such as the country or countries in which the study was conducted

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
Ackfeldt and Wong (2006)	Managerial empowerment	Prosocial service behaviours, job satisfaction, organisational commitment	-	-	Individual	Managers/ employees	Travel service	UK
Akgunduz and Bardakoglu (2017)	Psychological empowerment	Turnover intention	Empowerment	-	Individual	Employees	Hotel	Turkey
Amenumey and Lockwood (2008)	Psychological empowerment	-	-	-	Individual	Employees	Hotel	UK
Babakus et al. (2017)	Managerial empowerment	Work engagement, turnover intention	-	Customer orientation	Individual	Employees	Hotel	Cyprus
Campos et al. (2014)	Managerial empowerment	Total quality culture	Empowerment	-	Individual	Managers	Multiple hospitality sectors	Portugal
Chia and Chu (2017)	Psychological empowerment	Presenteeism	-	Hardiness	Individual	Employees	Hotel	Malaysia
Chiang and Hsieh (2012)	Psychological empowerment	Job performance	Organisational citizenship behaviour	-	Individual	Employees	Hotel	Taiwan
Chiang and Jang (2008a)	Psychological empowerment	Job satisfaction, organisational commitment	Empowerment	-	Individual	Employees	Hotel	Taiwan
Chow et al. (2006)	Psychological empowerment	Customer orientation, pride in job, performance	-	-	Individual	Manager	Restaurant	China
Connolly and McGing (2007)	Managerial empowerment	-	-	-	Individual	Manager	Hotel	Ireland
Elsetouhi et al. (2018)	Managerial empowerment	Employee voice	Empowerment	-	Individual	Employees	Travel agency	Egypt
Fock et al. (2011)	Psychological empowerment	Job satisfaction	-	Collectivistic	Individual	Employees	Hotel	Canada, China

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
Frye et al. (2020)	Managerial empowerment	Job satisfaction	-	-	Individual	Employees	Multiple hospitality sectors	USA
Garg and Dhar (2016)	Psychological empowerment	-	-	Empowerment	Individual	Managers/employees	Hotel	India
Gazzoli et al. (2010)	Psychological empowerment	Service quality	Job satisfaction	-	Individual	Employees / customers	Restaurant	USA
Gazzoli et al. (2012)	Psychological empowerment	Customer orientation	-	-	Individual	Employees	Restaurant	USA
George and Hancer (2003)	Psychological empowerment	-	-	-	Individual	Employees	Restaurant	USA
Gill et al. (2010)	Psychological empowerment	-	-	-	Individual	Employees	Multiple hospitality sectors	Canada, India
Hancer and George (2003)	Psychological empowerment	-	-	-	Individual	Employees	Restaurant	USA
Hartline and Ferrell (1996)	Managerial empowerment	Self-efficacy, job satisfaction, adaptability, role conflict, role ambiguity	-	-	Individual	Managers/employees/customers	Hotel	USA
Hartline et al. (2000)	Managerial empowerment	Behaviour-based employee evaluation, organisational commitment	-	-	Individual	Managers/employees	Hotel	USA
He et al. (2010)	Psychological empowerment	Service quality, job satisfaction	-	-	Individual	Employees	Multiple hospitality sectors	USA
Hechanova et al. (2006)	Psychological empowerment	Job satisfaction, job performance	-	Intrinsic motivation	Individual	Managers/employees	Multiple hospitality sectors	Philippines

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
Hewagama et al. (2019)	Psychological empowerment	Service recovery performance, job satisfaction	Empowerment	-	Individual	Employees	Hotel	Sri Lanka
Hoang et al. (2010)	Managerial empowerment	-	-	-	Individual	Managers	Multiple hospitality sectors	Vietnam
Hon (2012)	Managerial empowerment	Creative performance	Autonomous Motivation	-	Individual	Managers/employees	Hotel	China
Huertas-Valdivia et al. (2018)	Both	Work engagement	Empowerment	-	Individual	Employees	Hotel	Spain
Huertas-Valdivia, Braojos, et al. (2019)	Psychological empowerment	-	-	Empowerment	Individual	Employees	Hotel	Spain
Huertas-Valdivia, Gallego-Burín, et al. (2019)	Both	Work engagement	Psychological empowerment	-	Individual	Employees	Hotel	Spain
Javed et al. (2017)	Psychological empowerment	Creativity	Empowerment	-	Individual	Managers/employees	Hotel	Pakistan
Kang et al. (2020)	Psychological empowerment	Prosocial service behaviour	Empowerment	-	Individual	Employees	Hotel	Korea
Karatepe (2013)	Managerial empowerment	Job performance, extra-role customer service	Work engagement	-	Individual	Managers/employees	Hotel	Romania
Karatepe (2015)	Managerial empowerment	Affective organisational commitment	Perceived organisational support	-	Individual	Managers/employees	Hotel	Romania
Karatepe et al. (2007)	Managerial empowerment	Job satisfaction, affective organisational commitment, turnover intentions	-	-	Individual	Employees	Hotel	Turkey
Kaurav et al. (2015)	Managerial empowerment	Business performance	-	-	Individual	Managers/employees	Hotel	India

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
Kent and Chelladurai (2003)	Psychological empowerment	-	-	-	Individual	Managers/employees	Theme park	USA
Kim and George (2005)	Psychological empowerment	-	-	-	Individual	Employees	Restaurant	USA
Kim et al. (2009)	Managerial empowerment	Job satisfaction	-	-	Individual	Employees	Hotel	Thailand
Kim et al. (2012)	Psychological empowerment	Organisational commitment	Management trustworthiness	-	Individual	Employees	Restaurant	Korea
Klidas et al. (2007)	Managerial empowerment	Empowered behaviour	-	-	Individual	Employees	Hotel	European countries
Kong et al. (2016)	Psychological empowerment	Career satisfaction	Career competencies	-	Individual	Employees	Multiple hospitality sectors	China
Kruja et al. (2016)	Psychological empowerment	-	-	-	Individual	Employees	Hotel	USA
Lee et al. (2016)	Psychological empowerment	Job satisfaction	-	-	Individual	Employees	Multiple hospitality sectors	USA
Lee et al. (2019)	Psychological empowerment	Innovative information systems (IS) behaviour	-	-	Individual	Employees	Hotel	Korea
Leong (2001)	Managerial empowerment	Employee performance, customer satisfaction	-	-	Individual	Managers	Restaurant	USA
Limpanitgul et al. (2017)	Managerial empowerment	Organisational commitment	-	Organisational culture	Individual	Employees	Airline	Thailand
Lin et al. (2017)	Both	Service quality	Psychological empowerment	Organisational empowerment climate,	Multilevel	Managers/employees	Multiple hospitality sectors	China

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
				department psychological empowerment, organisational service behaviour-based evaluation				
Luoh et al. (2014)	Psychological empowerment	Innovative behaviour	Empowerment	Empowerment	Individual	Employees	Hotel	Taiwan
Magnini et al. (2013)	Psychological empowerment	-	-	Individualism/collectivism	Individual	Employees	Hotel	USA, Korea
Mathe and Scott-Halsell (2012)	Psychological empowerment	-	-	-	Individual	Managers/employees	Restaurant	USA
Meng and Han (2014)	Psychological empowerment	Job satisfaction	-	-	Individual	Employees	Hotel	Korea
Mohsin and Kumar (2010)	Managerial empowerment	-	-	-	Individual	Employees	Hotel	India
Namasivayam et al. (2014)	Both	Customer satisfaction, organisational commitment	Psychological empowerment, job satisfaction	-	Individual	Employees / customers	Restaurant	USA
Ogbeide et al. (2017)	Managerial empowerment	Customer satisfaction, customer loyalty	-	-	Individual	Customers	Multiple hospitality sectors	Germany
Ottenbacher and Gnoth (2005)	Managerial empowerment	Hospitality Innovation	-	-	Individual	Managers	Hotel	Germany
Ottenbacher et al. (2006)	Managerial empowerment	-	-	-	Individual	Managers	Hotel	Germany

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
Pelit et al. (2011)	Both	Job satisfaction	-	-	Individual	Employees	Hotel	Turkey
Psychogios et al. (2009)	Managerial empowerment	-	-	-	Individual	Managers	Multiple hospitality sectors	Greek
Raub and Robert (2013)	Both	Voice behaviour, organisational commitment	Psychological empowerment	Power distance	Individual	Managers/employees	Hotel	Middle East and the Asia Pacific region
Ro and Chen (2011)	Psychological empowerment	-	-	-	Individual	Employees	Theme park	USA
Roseman et al. (2017)	Psychological empowerment	Financial performance	Food safety performance, food quality	-	Individual	Employees	Restaurant	USA
Salazar et al. (2006)	Psychological empowerment	Job satisfaction	-	-	Individual	Managers	Hotel	USA
Slåtten and Mehmetoglu (2011b)	Managerial empowerment	Creativity	-	-	Individual	Employees	Hotel	Norway
Stavrinoudis and Simos (2016)	Psychological empowerment	-	-	-	Individual	Employees	Hotel	Greek
Ueno (2008)	Managerial empowerment	Service quality	-	-	Individual	Managers	Multiple hospitality sectors	UK
Ueno (2012)	Managerial empowerment	Service culture	-	-	Individual	Managers	Multiple hospitality sectors	UK

Authors	Concept of empowerment	Outcomes of empowerment	Mediator	Moderator	Level of analysis	Sample	Context	Location
Walsh et al. (2015)	Managerial empowerment	Willingness to report complaints, organisational commitment, customer orientation	-	Culture	Individual	Employees	Multiple hospitality sectors	Germany, China
Wilder et al. (2014)	Managerial empowerment	Empathy, anticipation, creativity	-	-	Individual	Employees	Multiple hospitality sectors	USA
Yadegaridehkordi et al. (2018)	Managerial empowerment	Hotel success and development	-	-	Individual	Managers	Hotel	Malaysia
Yeh (2014)	Managerial empowerment	Employee advocacy	-	-	Individual	Employees	Airline	Taiwan
Yen et al. (2016)	Psychological empowerment	Service orientation	-	-	Individual	Employees	Restaurant	Taiwan

