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Abstract

Complaints seldom arouse positive associations but are instead linked to failures that companies rather do not talk about. Despite this, complaints should be handled systematically and taken as a tool for improving service quality. Although it is close to impossible to avoid complaints, a speedy and fair service recovery can return a customer to a state of satisfaction. In order to do this, companies must empower frontline employees to take care of the entire recovery process without the need to seek for approval from the superiors. The recovery process itself is as important to the customer as the solution and therefore there is a risk that a dissatisfied customer becomes even more disappointed if the employee receiving the complaint lacks the authorities or competence to handle it quickly and efficiently. However, no empowering actions are of any use unless the empowered employees feel that the tools given are valuable. In addition, as far as the authorities are concerned, there may be substantial differences in the perceptions of those who define the boundaries, the empowerers, and those who have to work within them, the empowered employees.

Based on the above the main purpose of this research is to describe employee empowerment as a dimension of service recovery from the perspective of the personnel. The purpose is operationalized under a main question 'how empowerment affects employees' perceptions on their service recovery performance'. The following sub-questions are used in order to find answers to the main problem: How do personnel on different levels of the organization view empowerment? What is empowerment in service recovery? How does empowerment occur? How does empowerment affect frontline staff's work? The problem is approached through a case study and a Finnish hotel is used as an example case.

Although service recovery has received rather extensive attention in previous research, this study provides a new perspective compared to the previous ones. The aim is to emphasize the employee perspective in service recovery in distinction from earlier research that is clearly focused on customer perspective. The study shows that empowered employees who can take ownership of complaints are recognized as a crucial factor for ensuring customer service compared to unempowered ones that always need to rely on superiors. The findings of this study also indicate that an adequate level of authorities has a positive influence on employees' attitude towards service recovery, its speed and employees' ability to offer appropriate compensations. Lacking authorities not only prolong the service recovery process, but also make employees feel embarrassed in front of customers. However, the perceptions of individuals vary and thus, the same empowering actions may not necessarily produce the same results in all individuals.

Key words	Empowerment, complaints, service recovery
Further information	