



Exploring How Empowerment Becomes Critical Success Factor in Hotel Operation

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Abstract

This study discusses how empowerment becomes critical success factor in hotel operation. This research employed qualitative, in-depth interviews with 27 hotel owners and managers, and the results indicated that in a service system where speed and efficiency are critical, empowerment is absolutely necessary. Therefore, hotel managers should allow employees to use their own judgment in solving problems and transfer responsibilities, provide opportunities for personal initiatives, and demonstrate trust in their employees. Furthermore, as employees learn about the connection between their decisions, actions, and customers' values, this will increase employees' confidence and customers' loyalty, help them obtain ideas about improving service delivery, and help them gain ideas for new services.

Subject Areas

Business Management

Keywords

Empowerment, Critical Success Factor, Hotel Operation

1. Introduction

Empowering front-line staff to deal with service failures has been proposed as a method of recovering from service breakdowns and ensuring greater customer satisfaction. Kinlaw [1] pointed out that empowerment is the process of giving employees real authority in their work to achieve continuous improvement and job satisfaction in an organization's performance for better quality products and customer service in order to retain competitive advantage. However, the problem lies with hotel owners who are reluctant to trust and empower their employees. In

fact, empowerment of employees in the hotel sector is not only sensible but almost unavoidable. Employees need flexibility to adapt their behavior to the demands of each service encounter, thereby meeting customer needs effectively. This study will discuss how empowerment becomes critical success factor in hotel operation.

2. Literature

Empowerment is the process of giving employees real authority in their work to achieve continuous improvement, and job satisfaction in an organization's performance for better quality products and customer service in order to retain competitive advantage [1]. Empowerment encourages and allows individuals to take personal responsibility for quick response times to consumer needs and complaints with greater warmth and enthusiasm [2]. Bitner's *et al.* [3] argue that the service provider's ability to respond to a service failure has been shown to influence customer satisfaction and service quality evaluations. When service failure occurs, a quick recovery can help to restore customer satisfaction and dissatisfaction, and also of perceptions of service quality and related outcomes [4].

A successful empowerment program requires a number of factors, including empowerment guidelines, training and rewards. Cacioppe [5] indicated that organization cannot just pay lip service to the ideals of empowerment, instead they must build and nurture an environment that supports empowered behavior. In order to introduce a structured system of empowerment, empowerment guidelines were required to set boundaries for employee decision making. These guidelines provided a framework in which staff can achieve levels of customer service and perform confidently in order to surpass both personal and organizational expectations [6]. On the other hand, during the empowerment process, in the event of mistakes or incorrect decisions, managers should not reprimand or penalize employees, but, on the contrary, praise them for having taken an initiative for service quality and customer satisfaction [7]. Mistakes should be perceived as learning opportunities (Randolph, 1995) and managers should seize the opportunity to provide additional guidance and coaching [8]. Accordingly, hotel managers should allow employees to use their own judgment in solving problems and transfer responsibilities, provide opportunities for personal initiatives, and demonstrate trust in their employees.

3. Methodology

This research employed qualitative in-depth interviewing, that enables the researcher to obtain access to groups of people to provide a broad view of situations, people or settings which cannot be observed directly by the researcher in a short time [9]. Such interviewing also presumes that the perceptions that people have in their minds, and the beliefs and attitudes they have, will impact the action they take or are prepared to consider, or even understand. More pragmatically, it is an

approach that helps to ensure respondents understand the questions by allowing the opportunity to rephrase them [10].

There are a number of advantages to using the qualitative in-depth interview as the method for data collection:

- 1) it has the potential to overcome the poor response rates of a questionnaire survey [11].
- 2) it is well suited to the exploration of attitudes, values, beliefs and motives [12].
- 3) it provides the opportunity to evaluate the validity of the respondent's answers by observing non-verbal indicators, which is particularly useful when discussing sensitive issues [13].
- 4) it can facilitate comparability by ensuring that all questions are answered by each respondent [14].
- 5) it ensures that the respondent is unable to receive assistance from others while formulating a response [14].
- 6) it can allow research issues to be explored in greater depth [15].

The emphasis of this research is on identifying reasons empowering front-line staff to deal with service failures leading to hotel good efficiency via semi-structured personal interview with senior hotel executives. This research has tended to be exploratory and descriptive because the researcher wanted to understand the critical factors in the hotel operation in the Taiwan region as seen through the eyes of managers in the industry, rather than only through the lens of macro analysis of industry statistics and profiles. This research asked a series of open-ended questions that the respondents could answer in any way they wished. While their descriptions may be incomplete when put in the macro context, they are important because the perception and ideas that are in the minds of managers in the industry are what drive their actions and their responses to the challenges surrounding them. Their understanding and perceptions are critical in developing a more complete picture of hotel operational performance compared with the recommendations and advice contained in academic and industry research and commentary.

The procedure for data collection began with a telephone contact between the researcher and each of the hotel general managers and asked permission to interview with other managers. At this time, they were informed of the aim of the study and the objectives of the research and about the nature of the questions that will be asked during the semi-structured interview, and seek participation and arranged the interview time if they were willing to participate. A total of 27 hotel owners and managers across 25 hotels participated in the interview (Table 1). Interview data was analyzed using a constant comparative method. Constant comparative method is a methodological technique derived from ground theory, whereby the information that has been gathered is coded into emerging themes. The data are then repeated revised until it is apparent that no new themes are emerging. The themes are then categorized to form conclusions.

Table 1. Participating hotel manager.

Hotel	Manager	Hotel	Manager	Hotel	Manager
Hotel G1	General Manager	Hotel G10	Hotel Owner	Hotel A9	Hotel Owner
Hotel G2	Front Office Manager	Hotel A1	Front Office Manager	Hotel P1	Front Office Manager
Hotel G3	Front Office Manager	Hotel A2	F & B Manager	Hotel P2	F & B Manager
Hotel G4	F & B Manager	Hotel A3	Front Office Manager	Hotel P3	House Keeping Manager
Hotel G5	Front Office Manager	Hotel A4	F & B Manager	Hotel P4	Hotel Owner
Hotel G6	F & B Manager	Hotel A5	Hotel Owner	Hotel P5	F & B Manager
Hotel G7	Hotel Owner	Hotel A6	F & B Manager	Hotel P6	Front Office Manager
Hotel G8	General Manager	Hotel A7	Front Office Manager	Hotel P7	Front Office Manager
Hotel G9	House Keeping Manager	Hotel A8	Front Office Manager	Hotel P8	F & B Manager

4. Finding

In the interviews, a large percentage of hotel managers agreed that empowerment is of great importance to hotel business success however, the problem lies with hotel owners who are reluctant to trust their employees and empower them. In the Taiwan region, many hotels with good performance are managed by professional consultant companies. That kind of commission is a type of empowerment. Independent hotels with good operational performance, also enjoy satisfactory business because their owners have an open-minded attitude and their employees are empowered to a high extent. The manager of Hotel G1 mentioned:

In a service system where speed and efficiency are critical, empowerment is absolutely necessary. Our employees are empowered to a certain extent. Many decisions that need to be authorized by supervisors in other hotels can be directly resolved by our employees. Thinking about a hotel with 600 guestrooms, if everything has to be determined by supervisors, how much time will be wasted?

The manager of Hotel G10 also said:

We understand that in the handling of customer complaint, our attitude in the first instance is critical. If a customer needs can be immediately satisfied, we may potentially overturn the customer's negative attitude and even receive compliment on our service efficiency. Therefore, we are willing to provide resources necessary for dealing with customer complaint.

The results from interviews illustrated that empowerment can reduce the burden on manager and is a recognition of employee's competency. The manager of Hotel G11 mentioned:

As a director of this hotel, I have to manage a great deal of business everyday.

If I don't empower my employees, many things will be delayed and I will not have that much energy to take care of everything myself.

Speaking of empowerment, managers of hotels with good operational performance all expressed their gratitude for their owners' sufficient authorization, which has allowed them to make decisions within the authorized extent and avoid interference. As the manager of Hotel G10 said:

Although I am just a manager, I am doing 50% of a director's job. With sufficient empowerment of the director, I can easily carry out sales promotions. Even if other hotels are tempting me with better offers, I have still determined to stay to express my gratitude for the director's trust in me.

The manager of Hotel G1 also said:

Many people in this field have asked me why our hotel can release so many new products in a short time. In fact, there is no secret at all. Our boss just tells us his ideas and his expectation, and he will let us do the job independently. We will incorporate our creativity into his idea and present the results in our ways. Without any interference, we can certainly release products in an efficient manner.

Many managers have revealed that, in terms of the large organization structure and meticulous division of labor in a hotel, if unit leaders are not given a proper power to make decisions, the efficiency of the entire hotel may be hampered. The manager of Hotel G5 gave an example:

In terms of food catering, chefs of independent restaurant are authorized to purchase food materials. Some chefs will even pick them in the market by themselves. On the contrary, in other hotels, chefs are required to submit a list of food materials. After reviewed by the financial department, the list will be delivered to the general manager for approval. The purchase department will then compare market prices for each item on the list, before the materials can be purchased. The entire process takes several days. Most important of all, the purchased food materials may not meet the requirement of the chefs. So hotel restaurants have no competitiveness at all. At last, we decided to learn from independent restaurants and authorize chefs to purchase food materials independently.

The results from the interviews showed that in many hotels with lower performance, owners avoid empowerment for fear of abuse of power and loss of the hotel. However, managers of hotels with good operational performance revealed that such problems can be solved through proper design of the system. The manager of Hotel G9 mentioned:

The power of each level of employees has been clearly defined, and employees are also trained to properly use their power. Therefore, if there is an urgent need, our employees can help customers solve problems in the first time

without the decision of the supervisor. Customer satisfaction can be enhanced too.

The manager of Hotel G3 said:

We consider the loss caused by incorrect judgment of authorized employees is minimal and not influential to the hotel. If employees are not authorized to respond to customers' requests and displease them, the loss will be the greatest for the hotel. Thus, we would rather empower our employees to solve problems for customers in the beginning.

The managers interviewed revealed that the importance of empowerment is undoubted, but empowerment alone is not enough. Empowered employees need instruments to support and improve customer services, otherwise, not only customers but also employees will be frustrated.

The general manager of Hotel G10 even empowers receptionists to provide free accommodation to those guests who have requested a change of room three times. He said *"if a customer is still not satisfied after we have changed the room for the customer three times, we are to blame and we cannot charge the customer."*

Among the hotels with average operational performance, Hotel A1 has been widely praised for its employee-based services. Its manager expressed that the secret of its success is empowerment. The manager of Hotel A1 said:

We view our employees as the host who receives the guests on behalf of the hotel. They undertake the responsibility of a host, so they should have the decisions of a host. We have maximized our empowerment, allowing them to make decisions independently in contingent situations.

Nonetheless, not every hotel with average business performance provides such an extent of empowerment as Hotel A1. As an ex-manager of Hotel A4 said:

Our hotel group is an extremely centralized company. All the enterprises of the group are managed by professional managers, but major decisions have to be approved by the group CEO. The hotel is known for its discipline. In our hotel, everything has to be approved by the supervisors, and all employees are required to obey the orders of supervisors. In such corporate culture, professional managers dare not make decisions by themselves. Owing to insufficient empowerment, the hotel has inadequate ability to cope with the changes in this highly competitive environment.

The manager of Hotel A5 also said:

In our hotel, profit-centered system is adopted. The main advantage of this system is precise control of cost. However, excessive control of cost has some negative impact, too. For instance, when customers' requests or complaints involve costs, employees dare not make immediate decisions. Solutions to requests or complaints usually cannot be delayed. Our method can save costs but also hamper our operation efficiency.

The interviews showed that for hotels with poor operational performance, insufficient empowerment of managers is one of the main problems. So, some owners are reluctant to empower their managers but may indulge other employees, who may abuse their power. Such insufficient or improper empowerment may not only affect a hotel's operational performance but also highly reduce trust in employees. Many managers are discouraged. The general manager of Hotel P2 said:

The owner assigned his construction company team to manage human resources and finance of the hotel. They are good at constructions not hotel management. But everything related to human resource or finance requires their approval. As a general manager, I really don't know what I can do.

The manager of Hotel P8 also said "Our general manager is just an executor of decisions. The real decision maker is our owner's wife".

The manager of Hotel P6 complained about his owner:

Our owner is the biggest problem of our hotel. He is a typical son of a rich father and also a playboy. He has no idea about hotel management, but he does not empower managers either. He makes decisions at his own preference and usually makes troubles. The managers are responsible for cleaning up the mess he has caused.

The manager of Hotel P4 explained the reason why its employees cannot be sufficiently empowered:

In most hotels, first-line employees are not given too much power. Because they have insufficient experience, they are unable to judge if customer's requests are reasonable. Therefore, many decisions are reserved for the managers.

It is clear throughout the interviews that in hotel operations, promoting the culture of empowerment is necessary, especially for dealing with consumer requests that should be addressed immediately. Hotels with good operational performance realize this concept. Through empowerment and education, benefits will flow to customers and the hotel. Hotels can obtain an advantage that competitors are unable to duplicate. On the other hand, research findings also indicated that insufficient empowerment is one of the main problems for hotels with poor operational performance. Insufficient or improper empowerment may not only highly reduce the quality of service but also hit employees' morale and have a negative influence on hotel performance. Therefore, hotel owners should relinquish their traditional authority, in order to allow employees to make decisions and assume greater responsibility.

5. Discussion and Conclusion

Empowering front-line staff to deal with service failures has been proposed as a method of recovering from service breakdowns and ensuring greater customer satisfaction. The results of this research indicated that almost all the hotel manag-

ers agreed that empowerment is of great importance to hotel operational performance. In fact, empowerment of employees in the hotel sector is not only sensible but almost unavoidable. Employees need flexibility to adapt their behavior to the demands of each service encounter, thereby meeting customer needs effectively. Accordingly, hotel managers should allow employees to use their own judgment in solving problems and transfer responsibilities, provide opportunities for personal initiatives, and demonstrate trust in their employees.

Interview findings indicated that in a service system where speed and efficiency are critical, empowerment is absolutely necessary. In the handling of customer complaint, if customer's need can be immediately satisfied, hotel may potentially overturn the customer's negative attitude and even receive compliment on service efficiency (Hotel G1, G10). Hotel industries continue to strive for higher standards of service quality. Therefore, empowerment has become especially important, because frontline employees need empowerment to respond promptly to the individual needs of the increasingly demanding consumer in increasingly unpredictable service situations. Through empowerment, hotels can respond to customers' needs quickly, increase productivity and improve customer relationships. Furthermore, as employees learn about the connection between their decisions, actions and customers value, this will increase employees' confidence and customers' loyalty, obtain ideas about improving the service delivery, and gain ideas for new service.

Managers interviewed indicated that hotel managers have a great deal of business to do everyday. If they do not empower their employees, it is impossible for them to take care of everything and the efficiency of hotel's operation may be hampered. (Hotel G2, G3). Therefore, in terms of such large organisation and sophisticated function as a hotel, it is necessary for hotel to implement empowerment. It does not only increase operational efficiency but also reduces the burden on managers (Hotel G2, G5). These findings are consistent with Brymer's [7] argument that through empowerment, hotel managers will experience fewer interruptions because employees can take action on customer service and satisfaction. As employees make more decisions on their own, managers will have more time for the many tasks for which they are responsible. Through empowerment, customer problems can be resolved quickly when a supervisor or manager does not have to be located, apprised of the situation, and asked to render a decision. Such a benefit is especially important on busy days, as it allows employees to serve all customers in a personalized and efficient fashion. Moreover, empowerment allows employees to provide feedback to managers about customer needs, problems, and concerns, and about how resources and solutions can be directed to those issues. Managers will then have more insight about how to improve customer service and satisfaction, through on-going communications from the customers to the employees to the managers. As managers spend more time supporting employees and less time issuing orders, they can focus on the customers and how to serve them better.

Findings of this research suggested that empowerment is also a kind of recognition of employee's competence. Employees know that they are empowered because they are trusted. Likewise, empowerment allows employees to win customer trust, because customers know their problems can be immediately addressed by employees (Hotel G3, G8). This finding is supported by Brymer's [7] claim that manager may develop more trust in and better rapport with front-line employees when those employees are allowed to share in the responsibility for customer satisfaction. Through empowerment, managers and employees work together as a team, more in an adult-to-adult relationship and less in an adult-to-child relationship. Additionally, as employees can win customers' trust, the relationship between employees and customers will be strengthened.

Empowerment can also increase employee's sense of responsibility. Because when employees are given the information and authority required to handle customer issues, they cannot avoid assuming responsibility. Such an increase in responsibility will give them a sense of ownership in the hotel [16]. This is why speaking of empowerment, managers interviewed all expressed their gratitude for their owners' sufficient empowerment, which has allowed them to make decisions within the authorized extent and avoid interference (Hotel G1, G10, G12). The result of which may create more positive employees and enhance operational efficiency. In addition, decentralized decision-making will help employees develop and grow in the job, and will enable managers to see who may have potential for future advancement.

As mention above, although empowerment can increase hotel's service quality, customer's satisfaction and operational efficiency, several Taiwan region hotels still avoid empowering their employees. These results are in accord with Cacioppe's (1998) view that resistance from management is the most common constraint to empowerment. Kizilos [17] pointed out that many managers have spent years acquiring power and authority and are often unwilling to give it up. However, the role of management is to lead and facilitate the empowerment process. Therefore, hotel managers should relinquish some of their traditional authority, in order to allow employees to make decisions and assume greater responsibility. In fact, in this research, those employees with high empowerment can incorporate their creativity into their ideas and present the results in their own way without any interference and complicated procedure (Hotel G1, G2, G5). The results make hotel's operation more efficient.

One of the reasons why many Taiwan region hotels owners will not decentralize power is that they are afraid that due to employee's promise more than it is cost-effective for the hotel to deliver, hotel will get loss (Hotel G10, P4). In fact, this problem can be prevented through proper design of the system and employee training. Through system design, the power of each level of employees can be clearly defined, and employees are also trained to properly use their power. Therefore, if there is an urgent need, employees can help customers solve problems the first time without the supervisor's decision.

Furthermore, training is necessary to ensure that empowerment is able to distinguish the difference between the guidelines and existing policies and procedures. Cacioppe [5] pointed out that employees cannot act in an empowered manner without training. Effective training generally supports the goal of empowerment by enhancing morale and motivation, increasing flexibility, reducing staff turnover and allowing employees to function independently without the need for constant supervision [18]. This is the major gap in the Taiwan region hotel sector. The way to prevent employee's abuse of power is not to avoid empowerment. Instead, hotels should develop empowerment training programs to enhance the skills necessary for employees to be able to handle their increased authority and responsibility effectively and to exercise good judgment. In addition, training also fosters in employees feelings of self-efficacy necessary to initiate their participation in decision making, by imparting the requisite skills and knowledge needed to render such participation effectively.

Interview findings are consistent with the above argument. The managers interviewed revealed that hotels view employees as the hosts who receive the customers on behalf of the hotel. They undertake the responsibility of a host, so they should have the decisions of a host. Therefore, hotels should maximize their empowerment, allowing them to make decisions independently in contingent situations. Even the loss caused by incorrect judgment of empowered employees is minimal and not influential to the hotel. If employees are not empowered to respond to customers' requests and displease them, the loss will be the greatest for the hotel (Hotel G1, G3, G8, A1). Thus, empowerment requires creating a non-blame culture wherein well-intentioned mistakes are discussed in a supportive way. Otherwise, employees will be afraid of assuming responsibility and will avoid the risk of making decisions without prior approval from their superiors.

It is maintained that successful service will be determined by staff who feel committed to delighting the customer and do whatever it takes to ensure customer satisfaction. Employee empowerment is claimed to be a technique which will both encourage the necessary level of commitment to organizational goals and provide the necessary discretion and autonomy to generate the level of customer service required [16]. The hotels with good performance understand this theory and teach employees how to apply empowerment to their service. This becomes their advantage which their competitors cannot imitate and increases their operational performance.

Conflicts of Interest

The author declares no conflicts of interest.

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