

# Impact of Empowerment Types on Service Quality: A Case Study among SMEs

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## Abstract

The research studies the effects of empowerment types on the service quality perceptions of customers among various small and medium enterprises in Kurdistan Region of Iraq. The data was collected from dual channel; empowerment related questions were asked to the employees while service quality related questions were asked to the customers of the concerning enterprise. In total, 154 data were collected from employees and 200 from the customers. In the analysis, customers' data was merged with the data from the employees in order to test the hypotheses. After the validity and the reliability analysis, multiple regression analysis was proposed to test the hypothesis. Based on the results, it was observed that psychological empowerment was negatively effecting the service quality perceptions of customers. The reasons and suggestions were added in the conclusion part.

**Keywords:** customers' perceptions, psychological empowerment, service quality, structural empowerment

**JEL:** M31, M51

## Introduction

Any organization working in any field tries to produce the best working environment for employees to work effectively and bring great results to the organization. This gives the employees the sense of owning success and continually trying their best to perform to their best potential. This is the organization's responsibility to create an environment known as an empowered workplace (Jaffe and Scott, 1998). This gets us to employee empowerment, which is one of the approaches by managements at any organization to get better competition world and make employees stay at their jobs. Correctly applying employee empowerment can be highly effective in improving performance, organizational productivity, and work satisfaction (Sashkin, 1984; Torlak et al., 2021). A study had conducted by Menon within employees in a company and found the relation between empowerment and motivation to work; the greater empowerment the employees have, the greater motivation they have to work (Menon, 2001). In other words, empowerment has a direct impact on the employees, also employees have a direct impact on the service quality of the organization (Isaiah and Kofi, 2000; Maisuradze, 2019).

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Service Quality is a measure of how well an organization delivers its service compared to the expectation of the customers (Jain and Gupta, 2004; Demir et al., 2020). Once an organization empowers its employees, the employees tend to be motivated to perform their best at work; this leads the organization to provide better service quality to customers. Hence, greater empowerment leads to greater work by employees and this leads to greater service quality (Zeithaml and Berry, 1996).

Internal marketing suggests managers treat employees as internal customers and motivate them for enhancing their responsiveness during their work and service (Ahmed and Rafiq, 2003). Organizations need to care about employee satisfaction as much as they care about customer satisfaction.

The types of employee empowerment can be expressed in terms of psychological and structural empowerment. The essence of employee structural empowerment is when superiors share power and try to achieve the same decision-making for the lower level of the organizational hierarchy (Liden and Arad, 1996; Torlak et al., 2021). Meaning this type of empowerment is about having authority and control over one or multiple resources within an organization. Usually, the superiors share the power and make decisions for other employees who have a lower position in the organization. This also explains that empowered employees can make decisions that fit with the scope and domain of their work.

On the other hand, psychological empowerment refers to a set of psychological states that are crucial for employees to feel a sense of control about their work (Cooper & Clegg, 2008). Psychological empowerment is all about employee innovation and initiative to make changes and create competition (Drucker, 1988). Psychological empowerment can be expressed into four cognitions as meaning, competence, self-determination, and impact.

Meaning is involving a fit of an employee's needs and values; it also refers to purpose as well (Brief and Nord, 1990). Competence (or self-efficacy) is a belief that an employee got the ability and skills to for the job effectively (Gist, 1987). Self-determination is the employees' sense of responsibility and control over their work (Ashforth and Mael, 1989). And finally, the impact is the employees' sense of responsibility and control over the organizational outcome (Spreitzer, 2017).

Within many resources, as mentioned above, empowerment has a positive impact on the employees in general, but there is also a study that shows that empowerment has a negative impact on service quality (Demir, 2020); it is important to understand whether it is psychological or structural empowerment. There are no studies in Kurdistan to show how empowerment affects employees and it is very important to elaborate on this topic in the Kurdistan region. Therefore, the aim of this research is to explore the relationship between employees and empowerment in the Kurdistan region. We have prepared questionnaires for different enterprises and then we analyzed the data to elaborate more on this topic. The result will be discussed in the methodology section.

## **Literature Review**

### ***Empowerment***

Empowerment has been a very popular term used by companies and organizations which has an impact on many aspects of businesses. Till the beginning of the 2000s more than 70 percent, of organizations had adopted empowerment for their work (Lawler et al., 2001). But the term empowerment had been used and applied academically since the 1970s. For any organization to be successful, the organization needs time, energy, ideas, and hard work from every employee regardless of employees' position; employees will provide these factors when they are empowered (O'Toole and Lawler, 2006). Employee empowerment is defined in many ways and the definition had changed over time. In

general, empowerment can be defined as the ways in which organizations provide their employees with a certain degree of autonomy and control in their day-to-day activities; The way organizations try to empower employees is different depending on the aims, goals, and culture of the organization (McGee, 2016).

Empowered workers feel more comfortable and seek to give their employers their best, as result enhancing the service quality of the organization. The key aim of Employee empowerment is to build a workforce that is energized by an increased desire to deliver high-quality goods or services that meet the needs of the internal and external customers (Spreitzer, G2008).

One of the very important bases of employee empowerment is giving employees a sense of owning and making important decisions and being committed to the job. Committed employees are productive, innovative, satisfied with their jobs and the service quality delivered to the client. Additionally, a committed employee is psychologically attached to his/her job and the possibility to leave the organization is minimal; employee retention is key to an organization's long-term performance and success (Ukil, 2016). This makes the organization to be creative and continue working in the market for a long period of time.

### ***Structural Empowerment***

After understanding the word empowerment, itself, we need to dig deeper to understand its types and how they impact employees and organizations. Structural empowerment is a type of empowerment that can be defined as an ability to access information, obtain support, and achieve goals, as opposed to the traditional hierarchical viewpoint (El Samen and Alshurideh, 2012). Or Structural empowerment refers to the ability to mobilize resources and achieve goals through access to information, support, resources, and opportunities (Tansey and McGrath, 2004), Also, the structure can be conceptualized as the work environment employees work in because the workplace characteristic can influence employee behavior and attitude more than the employees' own personality. According to Kanter, 1993, the structured organizational environment has the potential to influence employee behavior as opportunities which is related to self-determination and growth, a sense of challenge, and the opportunity for learning and advancement. Also, information which refers to the technical knowledge and expertise required to work effectively within the organization (Schedlitzki, 2021). Another point is support means feedback and assistance from colleagues, managers, and subordinates. Moreover, resources refer to the capacity of employee access to the time, supplies, money, and materials needed to achieve organizational goals (Wagner, 2010). Finally, formal power derives from an employee's workplace position and is related to the organization, whereas informal power stems from peer relationships and alliances that contribute to meeting organizational goals (Clavelle, 2016).

Each of the factors mention above has a direct impact on the employees' empowerment, the more organizations offer resources, access power, provide information, and give power to employees, the more employees be more empowered and committed to the work. In addition, structural empowerment creates an organized system within organizations (Pfeffer, 1996). The texts prove that structural empowerment does affect the service quality of any organization. Therefore,

H1Structural empowerment significantly effect service quality.

## ***Psychological Empowerment***

Now coming to the second type of employee empowerment which is psychological empowerment. This term had been defined differently but we can say employee psychological empowerment refers to the ability of organizations to offer employees a particular degree of autonomy and responsibility for decision-making in terms of their roles at work (Manjari and Anita, 2018). In other words, psychological empowerment as an employee's experience of intrinsic motivation, which is rooted in cognitions concerning oneself with regard to their working role (Spreitzer, 1997). Psychological empowerment for employees is as important as structural empowerment as it has its own influence on the work environment. As the development of psychological empowerment advances, close attention has been paid to the relationship between this concept, when reflected under four variables role clarity, job satisfaction, organizational commitment, customer satisfaction, and service quality (Meng et al., 2014). Once the psychological side of employees has been considered by the organization, employees would be comfortable in his/her working environment. Moreover, when employees are psychologically empowered, their behavior influences while working with customers since employees are in direct contact with customers and they work to their best potential (Bseiso, 2020). All organizations are trying to achieve employees' both structural and psychological empowerment to provide high service quality in the market. Psychological empowerment is positively related to affective commitment and causes employees emotional attachment to the work (Spreitzer, 1996). All this information proves that psychological empowerment does affect the service quality of any organization.

H2 psychological empowerment significantly affects the service quality of an organization.

## ***Service Quality***

All companies and organizations are doing their best to achieve one common goal which is providing high service quality to customers and being the most popular in the market. Service quality generally refers to a customer's comparison of service expectations as it relates to a company's performance (Cai Jwan et al., 2016). A business with a high level of service quality is likely capable of meeting customer needs while also remaining economically competitive in their respective industry. This requires teamwork from the whole organization as every single employee contributes to the success (Ngozi, 2017). It is crucial for organizations to make their employees stay motivated throughout years of working. Moreover, employee motivation can be defined as the level of energy, commitment, and creativity that a company's workers bring to their jobs (Duong, 2015). To provide good service quality, every employee within the organization has to work effectively and perform their best. To do so, employees need to be empowered both psychologically and structurally as both types of empowerments impact the service quality of the organization. Having great service quality influences organizations in many aspects as customer satisfaction, once employees are empowered and comfortable, they work hard to represent the organization's best image to customers. This attracts new customers in and makes the current customers to stay and become loyal (Jauhar and Abdul Ghani, 2015). This factor satisfies both customers and employees as well. Another benefit of having great service quality is having a market share and be the number one customer option. Loyal customers talk about the products and services of the organizations which create word of mouth and attract more customers as result an increase in the sales rate happens. As result, we can say both types of empowerments are correlated to service quality; meaning both of our hypotheses are correct and supported. Empowered employees make any organization to provide high-quality service and products.

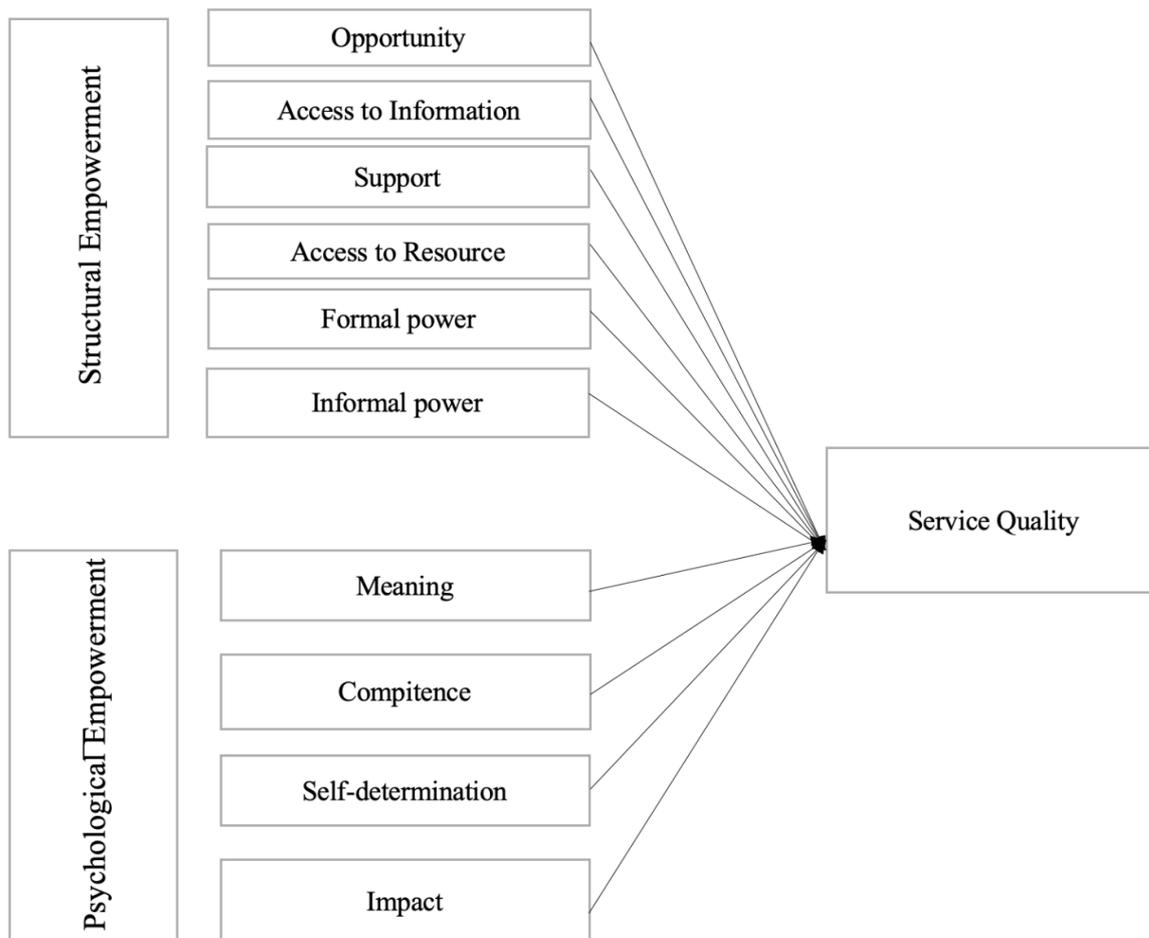


Figure 1. Model of the Study

## Methodology

### Problem

To further investigate on the impact of empowerment we need to understand what is the root problem especially in Kurdistan Region. Unfortunately, the topic of empowerment is not very popular among Kurdish organizations and companies which might be cause of two things. First, the business owner is not familiar with this topic is about or second, they are aware of the topic of empowerment but they do not implement the idea inside the business. There might be even more causes and still the right answer is not clear. But, worldwide empowerment with both structural and psychological type is such a broad matter. We limit out study only in Kurdistan region of Iraq to elaborate more of the topic of empowerment how it affects service quality of any type of organization or company.

As discussed previously many sources indicate that both structural and psychological empowerment have impact on service quality; what kind of impact either positive or negative that depend on which place the research has been con-

ducted. Regarding Kurdistan region, there are no many data and research available on this topic. As we have mentioned according to Demir 2021, empowerment has negative impact on service quality in Kurdistan region of Iraq; this talk about the general meaning of empowerment without specifications whether it is structural or psychological empowerment. In other words, this topic is not still clear if the negative empowerment impact is which type of empowerment. Therefore, this study from our point of view is important to elaborate more on this topic and gather more data to prove this point.

### ***Objective***

In literature review section, we have mentioned many researches that indicate both psychological and structural empowerment have effect on employee empowerment as each study that conducted in different places. To narrow down the studies in the Kurdistan region, sadly, there are not many types of research to clarify and richen this topic. Our research is very important to add more information regarding the impact of empowerment on service quality in the Kurdistan region which is our main objective. To be more specific, elaborating on each psychological and structural empowerment impact on the service quality since both have their own way regarding how it affects the service quality of any business. To reach our objective and find our purpose, later on we analyzed the collected from both customers and employees to elaborate more of the effect of empowerment on service quality.

### ***Data Collection***

To conduct this research paper, we prepared a questionnaire and distributed to both customers and employees in different enterprises in the Kurdistan region. We wanted both customers and employees to answer the questionnaire so we can get both sides of view regarding employee motivation and service quality. We chose businesses and enterprises with small to medium inside the region so we can get as many as customers and employees involved.

As for the data that we have used for the results of this research, we asked questions face to face and there were cases where we left the questionnaire and got answers later since those people were not available to ask them the questions face to face at that time. All the data have been gathered from 20th of October till 1st of November, during this period of time we were able to gather 154 data from employees and 200 from customers of different enterprises. We focus on the customers' answers then we analyze the customer answers and achieve the main objective of this research which is how empowerment in the enterprise affects the service quality.

### ***Procedure***

To conduct this research, we prepared a questionnaire and took it to different small to medium enterprises inside the Kurdistan region. The questions mainly focused on how the empowerment of any business impacts the service quality of that place. Therefore, the customers are the ones we have put our most focus on. After preparing the questions, we triple-checked the questions to make sure they are the right choice of questions that can help us to achieve our purpose and hit our objective.

Moreover, we checked the validity and reliability of the questions for conducting the research due to exploratory factor analysis and Cronbach alpha. Then, after all, the regression analysis was conducted to test and support our hypotheses. In another word, we have used every single way to make sure our questions are the perfect choice before distributing them to employees and customers. Then we have collected their answers and analyzed to see whether our hypotheses are right or it needs reviewing.

## Research Finding

### *Validity*

The results of the descriptive statistics of exploratory factor analysis are shown in table, it was observed on the table that means of opportunity were above between 3.67 to 3.74. It was observed that opportunity question number one holds low value comparing to other items in the same dimension. Secondly access to information means of items are between 3.28 to 3.57. Thirdly, support means of items relatively there is only the different in points all between 3.60 to 3.88. Fourthly, access to resources means of items relatively between 3.64 to 3.73. Fifthly, formal power means of items relatively between 3.24 to 3.49. Sixthly, informal power means of items relatively there is only the different in points all are between 3.40 to 3.80. seventhly, meaning means of items relatively between 3.89 to 4.13. Eighthly, competence means of items relatively are between 4.11 to 4.15. Ninthly, self-determination means of item relatively between 3.66 to 4.08. tenthly,

Motivation means of items relatively between 3.72 to 3.85. eleventh, service quality means of items relatively between 3.93 to 4.05.

Standard deviation of each item shows the overall distance between mean and rate of each participant. When standard deviation is high, hence, the distance will become higher. As result, it would be concluded that participants don't think similarly to each other. Taking the table above into account, it was observed that all standard deviations are around one and therefore, they are not high. As result, it can be concluded that the participants rated the items close to each other minimum standard deviation is 0.679 and maximum standard deviation is 1.388.

Kaiser-Meyer-Olkin (KMO) test result show the sampling adequacy. By another meaning, the determinant elaborates whether there are meaningful clusters among the items taken into consideration in the study. If the value of the determinant is above 0,5, it would be concluded that there are some significant clusters which can be called as dimension. This is the initial and the weak indicator. Based on the results, it was seen that KMO value of the current data used in the study was 0,9. Thus, it was concluded that the value is sufficient.

Communalities are the coefficient values which shows the variance that an item holds within the dimension. It is expected that the value holds 0.5 minimum. Were deleted due to their weak statistical results. The minimum value is 0,613 and the maximum value 0,817, There were no problems with the remaining communality.

Total variance explained indicates the amount of variance explained by the concerning dimension. Secondly, Eigen value indicates whether the concerning cluster of items should be called as a dimension or not. If Eigen value is above 1, the cluster is a dimension. Based on this, it can be concluded that there are 11 dimensions that items are clustered around. However, percent of variance explained by these dimensions is expected to exceed 50%. Based on the results, it was observed that the questionnaire which was conducted in this study explained 74% of the overall variance. On the table, the percentage explained by each dimension can be seen. On the table, there are results of the rotated component matrix which shows the correlations of each item among the dimensions. It must be known that every item is correlated with every dimension somehow. On the other hand, it should be known that the item belongs to the dimension that it was correlated mostly. Secondly, the correlation of the item with other dimension must have minimum 0,2 difference. If the difference is less than 0,1, it will be concluded that there is a cross loading and will be deleted. When the correlations of each item under opportunity is evaluated, it was observed that minimum factor loading item under the dimension was 0.437 and the maximum one was 0,747. There was no cross-loading problem due to the correlation or factor loading of the items under the dimension was holding difference more than 0.1. As conclusion, it can be indicated that the dimensions are valid to continue with the further analysis.

Table 1. Exploratory Factor Analysis

	Mean	Std. Deviation	Impact	Competence	Self Determination	Meaning	Formal power	Informal power	Opportunity	Formal Power	Access to Resources	Service Quality	Informal Power	Communalities
Op1	3,67	1,077							<b>0,452</b>					0,613
Op2	3,73	0,991							<b>0,437</b>					0,694
Op3	3,74	1,127							<b>0,747</b>					0,791
Accln1	3,28	1,388					<b>0,801</b>							0,786
Accln2	3,55	1,131					<b>0,695</b>							0,786
Accln3	3,57	1,082					<b>0,493</b>							0,700
Sup1	3,60	1,121						<b>0,423</b>						0,708
Sup2	3,79	1,079						<b>0,785</b>						0,802
Sup3	3,88	0,895						<b>0,453</b>						0,654
AccRe1	3,64	0,969									<b>0,665</b>			0,700
AccRe2	3,73	0,912									<b>0,595</b>			0,714
Accre3	3,67	1,056									<b>0,477</b>			0,725
FP1	3,40	1,233								<b>0,663</b>				0,678
FP2	3,49	1,084								<b>0,631</b>				0,633
FP3	3,24	1,222								<b>0,769</b>				0,689
IP2	3,80	1,077											<b>0,647</b>	0,714
IP3	3,60	1,135											<b>0,523</b>	0,568
IP4	3,40	1,135											<b>0,726</b>	0,817
Mean1	3,98	1,011				<b>0,679</b>								0,726
Mean2	3,89	0,914				<b>0,618</b>								0,724
Mean3	4,13	0,956				<b>0,728</b>								0,769
Comp1	4,11	0,950		<b>0,844</b>										0,799
Comp2	4,15	0,895		<b>0,744</b>										0,687
Comp3	4,15	0,932		<b>0,660</b>										0,749
Selfdet1	4,08	0,950			<b>0,643</b>									0,659
SelfDet2	3,53	1,152			<b>0,724</b>									0,704
SelfDet3	3,66	0,933			<b>0,631</b>									0,699
Imp1	3,85	1,039	<b>0,726</b>											0,767
Imp2	3,72	1,017	<b>0,770</b>											0,746
Imp3	3,74	0,981	<b>0,599</b>											0,728
SQ1	3,67	0,679										<b>0,604</b>		0,668
SQ2	3,99	0,788										<b>0,818</b>		0,738
SQ3	3,93	0,778										<b>0,857</b>		0,769
SQ4	4,05	0,872										<b>0,465</b>		0,771
SQ5	4,03	0,879										<b>0,700</b>		0,715
<b>KMO</b>	<b>0,9</b>													Total Variance
Explained Variance	12%	11%	8%	8%	6%	6%	5%	5%	5%	5%	4%	4%	4%	74%

**Reliability***Table 2. Cronbach's Value of the Opportunity*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha Variable
Op1	7.53	3.079	0.481	0.237	0.599	0.69
Op2	7.46	3.422	0.461	0.217	0.625	
Op3	7.45	2.774	0.539	0.291	0.519	

The table above shows the reliability analysis result of the opportunity. As the minimum value threshold must be 0.65, we have 0.69 as the result of Cronbach's alpha value which is an acceptable result and can be used for further analysis (Mercan et al., 2020; Khoshtaria et al., 2021; Matin et al., 2021). On the other hand, it was observed that item-total correlation among the questions were was a minimum of 0.461 and a maximum of 0.539. if any of the correlations show a value above 0.95 it can be suspected that there is a multi-correlation over lab between items besides there's no such a risk among these items lastly it was observed that relatability would increase from 0.69 up to 0.71 if opportunity item number 2 deleted this operation is not performed due to already the dimensions reliable enough.

*Table 3. Cronbach's Value of Access to Information*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha Variable
Accln1	7.36	4.019	0.599	0.360	0.760	0.79
Accln2	7.14	4.601	0.665	0.453	0.674	
Accln3	7.08	4.894	0.639	0.425	0.706	

Table 3 above the results of the access to information, in order to calculate the reliability of dimensions Cronbach's alpha method was used for three data which all the data are well shown in the table above. We got the result of Cronbach's alpha value as 0.79 which is close to 1 and counted as a reliable result (Mercan et al., 2020; Khoshtaria et al., 2021; Matin et al., 2021). It is crucial to get a reliable result, as the reliable result indicates how well accurate the data were, and also the result can be further used for other data analysis in this research paper.

*Table 4. Cronbach's Value of Support*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha Variable
Sup1	7.71	2.606	0.435	0.190	0.530	0.65
Sup2	7.48	2.872	0.456	0.209	0.488	
Sup3	7.44	3.434	0.420	0.178	0.550	

Table 4 above results of the support, in order to calculate the reliability of dimensions Cronbach's alpha method was used for only three data which all the data are well shown in the above table. Cronbach's alpha value for the support is calculated to be 0.65 which is above 0.5 indicating an acceptable and reliable result. Using the three data, we did five other calculations to get the Cronbach's alpha value which highly reliable result and can be used in further calculations and data analysis in the research paper.

Table 5. Cronbach's Value of Access to the Resource

	Scale Mean if Item Deleted	S c a l e Variance if Item Deleted	Corrected Item-Total Correlation	S q u a r e d M u l t i p l e Correlation	Cronbach's Alpha if Item Deleted	Cronbach's A l p h a Variable
AccRe1	7.56	2.502	0.483	0.237	0.497	0.65
AccRe2	7.47	2.731	0.452	0.213	0.542	
Accre3	7.50	2.438	0.420	0.177	0.590	

Table 5 above shows the results of the calculation of access of the resource, in order to calculate the reliability of dimensions Cronbach's alpha method was used for only three data and all the data have been well shown in the above table. Cronbach's alpha value result is 0.65 which indicates a reliable result from our data. Besides Cronbach's alpha value, five others more calculations have been conducted to get the final result. The reliable result shows how well accurate our data were and also the result can be used in the further calculation and data analysis in this research paper.

Table 6. Cronbach's Value of Formal Power

	Scale Mean if Item Deleted	S c a l e Variance if Item Deleted	Corrected Item-Total Correlation	S q u a r e d M u l t i p l e Correlation	Cronbach's Alpha if Item Deleted	Cronbach's A l p h a Variable
FP1	6.80	3.684	0.550	0.305	0.528	0.7
FP2	6.69	4.375	0.490	0.251	0.611	
FP3	6.94	3.982	0.469	0.224	0.637	

Table 6 above shows the results of the formal power calculations. in order to calculate the reliability of dimensions, Cronbach's alpha method was used for only three data and all the data have been well shown in the above table. Cronbach's alpha value result is 0.7 which is considered as a reliable result since it is above. Besides Cronbach's alpha value, five more calculations have been conducted to get the final result. The reliable result shows how well accurate our data were and also the result can be used in the further calculation and data analysis in this research paper.

Table 7. Cronbach's Value of Informal Power

	Scale Mean if Item Deleted	S c a l e Variance if Item Deleted	Corrected Item-Total Correlation	S q u a r e d M u l t i p l e Correlation	Cronbach's Alpha if Item Deleted	Cronbach's A l p h a Variable
IP2	7.12	3.554	0.345	0.120	0.571	0.65
IP3	7.36	3.093	0.444	0.201	0.428	
IP4	7.52	3.071	0.419	0.185	0.466	

Table 7 above shows the results of the informal power, in order to calculate the reliability of dimension Cronbach's alpha method was used for only three data which all of the data are well shown in the above table. Cronbach's alpha value for informal power is 0.65 which means the result we got is reliable and accurate. Since the result we got is reliable, it can be further used for analysis in this research paper. It is important for the data to be reliable since they can be used again in other calculations later on and affect the calculation's result as well.

Table 8. Cronbach's Value of Mean

	Scale Mean if Item Deleted	S c a l e Variance if Item Deleted	Corrected Item-Total Correlation	S q u a r e d M u l t i p l e Correlation	Cronbach's Alpha if Item Deleted	Cronbach's A l p h a Variable
Mean1	8.17	2.686	0.546	0.301	0.740	0.77
Mean2	8.22	2.758	0.601	0.380	0.676	
Mean3	7.99	2.609	0.641	0.418	0.630	

Table 8 above shows the results of the of the mean, in order to calculate the reliability of dimensions Cronbach's alpha method was used for three data as all of them have been well shown in the table. Cronbach's alpha value of the mean's result is 0.77 which indicates a reliable result for our data used in this research paper. Since the result of Cronbach's alpha value is considered reliable, it can be used for further analysis. Also, the reliable result shows our data were all correct and accurate at the same time.

Table 9. Cronbach's Value of Competence

	Scale Mean if Item Deleted	S c a l e Variance if Item Deleted	Corrected Item-Total Correlation	S q u a r e d M u l t i p l e Correlation	Cronbach's Alpha if Item Deleted	Cronbach's A l p h a Variable
Comp1	8.39	2.424	0.633	0.403	0.702	0.77
Comp2	8.39	2.557	0.638	0.408	0.697	
Comp3	8.38	2.555	0.606	0.368	0.730	

Table 9 above is showing results of the Competence in particular, in order to calculate the reliability of dimension Cronbach's alpha method was used for three values as all the values are well shown in the table above. The result value of Cronbach's alpha is 0.77 which is considered to be a highly reliable result since it is above 0.5. meaning our data has the high-reliability value of competence. The reliable value can be used for further analysis for this research as it is considered to be highly reliable and correct.

Table 10. Cronbach's Value of Self-Determination

	Scale Mean if Item Deleted	S c a l e Variance if Item Deleted	Corrected Item-Total Correlation	S q u a r e d M u l t i p l e Correlation	Cronbach's Alpha if Item Deleted	Cronbach's A l p h a Variable
Selfdet1	7.31	3.556	0.422	0.178	0.719	0.72
SelfDet2	7.83	2.372	0.592	0.372	0.517	
SelfDet3	7.73	3.069	0.566	0.347	0.555	

Table 10 above is showing the result of the self-determination in particular, in order to calculate the reliability of dimensions Cronbach's alpha method was used for three values as shown in the table. after the data calculation, the Cronbach's

alpha value result is 0.72, which is still above 0.5 and considers the result to be reliable. The Cronbach Alpha result proves that our data were right and accurate, and also well reliable. The reliable result from our data can be used to further analysis since the data is right and came from very well collected data.

Table 11. Cronbach's Value of Impact

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha Variable
Imp1	7.57	3.280	0.654	0.435	0.731	0.81
Imp2	7.71	3.215	0.682	0.467	0.701	
Imp3	7.65	3.476	0.620	0.386	0.766	

The above table shows the results of the impact, in order to calculate the reliability of dimensions Cronbach's alpha methods were used to have the value of impact. To do the calculation, we have used three values as shown in the table. Cronbach's alpha value is 0.81 which is close to 1 and shows a very high reliable result from the data. The result shows the data are very well collected and analyzed which can be highly reliable to be used in our research paper. Since the result is a reliable value, we can use the value of our result to more analysis in this research paper.

Table 12. Shows Cronbach's Value of Service Quality

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha Variable
SQ1	15.9851	6.051	0.309	0.124	0.725	0.75
SQ2	15.6412	5.503	0.382	0.185	0.705	
SQ3	15.7338	5.108	0.536	0.372	0.645	
SQ4	15.6284	4.705	0.540	0.336	0.640	
SQ5	15.6520	4.532	0.613	0.437	0.607	

The above results of the service quality were answered by customers in small and medium enterprises, in order to calculate the reliability of dimension Cronbach's alpha methods were used. By using this method, we can find how reliable the result of Cronbach's alpha variable of service quality. The Cronbach's alpha value is expected to be reliable if the value is above 0.65, we got the result of 0.75 which is considered being a very reliable result for our research. And since our result is considered reliable, we can use it to further analyzation of this result. In table 11, five questions were used for analysis and we got the Cronbach's alpha value from the answer of all five questions.

## Hypothesis Test

Table 13. Impact of Structural Empowerment on Service Quality

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Adjusted R Square
		B	Std. Error	Beta			
1	(Constant)	4.025	0.274		14.683	0.000	21%
	Opportunity	0.093	0.076	0.140	1.224	0.223	
	Access_to_Information	-0.124	0.062	-0.226	-2.009	0.047	
	support	-0.055	0.087	-0.080	-0.639	0.524	
	access_to_resource	-0.016	0.091	-0.022	-0.178	0.859	
	formal power	-0.071	0.067	-0.124	-1.067	0.288	
	informal power	0.138	0.077	0.210	1.985	0.048	

The table above shows the result of hypothesis tested by regression analysis methodology. The result shows that the opportunity doesn't impact significantly on service quality due to the value of T statistic (1.224) and P (0.223). Moreover, it is shown that access to information has negative impact on service quality due to the value of T statistic is -2.009 and P is 0.047. Hence, it can be said that access to information doesn't positively stimulate the service quality perceptions of customers. However, support doesn't impact on service quality due to T statistic is -0.639 and P is 0.524. as the result, hypothesis is dismissed. Access to resources and formal power respectively to the values do not impact service quality. Therefore, they are dismissed. Finally, as shown in the last hypothesis the informal power does impact on the service quality where T is 1.985 and P is 0.048. All significant variables explained 21 percent of variance on service quality. As result, it can be concluded that H1 was partially accepted.

Table 14. Impact of Psychological Empowerment on Service Quality

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Adjusted R Square
		B	Std. Error	Beta			
1	(Constant)	4.170	0.293		14.255	0.000	14%
	meaning	0.082	0.071	0.117	1.155	0.250	
	competence	-0.148	0.074	-0.166	-1.965	0.048	
	self-determination	-0.016	0.092	-0.023	-0.170	0.865	
	impact	-0.182	0.083	-0.129	-2.388	0.025	

The psychological empowerment on the service quality table which is well shown above is the final result of the tested hypothesis by regression analysis methodology. To test our hypothesis which was about meaning does not affect the service quality because T static is 1.155 and P is 0.250. as a result, we can say hypothesis one was rejected and not acceptable. Then, another observation about competence that had negative and significant effect on the service quality due to T statistic is -1.965 and P is 0.048. After that, we can check our third observation which was about self-determination does not affect service quality because T statistic is -0.170 and P is 0.865. as a result, this also reveals that this part of hypothesis was rejected. Last observation was about impact and affect the service quality negatively and significantly due to T statistic is -2.388 and P is 0.0250. All significant variables explained 14 percent of variance on service quality. As result, it can be revealed that H2 was partially accepted.

## Conclusion

To conclude our research paper, we have wanted to investigate the matter of empowerment inside the Kurdistan region. Our main purpose in writing this research paper was to find out the effect of both structural empowerment and psychological empowerment on the service quality of any companies and organizations.

For the purpose of getting information regarding this matter in the Kurdistan region, we have prepared a questionnaire and asked questions to both employees and customers for different businesses inside the Kurdistan region. We asked our questions face to face and there were cases where the employees could not answer us immediately, so we had to leave our questions and come back for the answers later on. Also, we set up hypothesis for our topic, and later we have tested our hypothesis with the regression method to find out if our hypothesis is going to be accepted or rejected. As also mentioned previously, partially our hypothesis got rejected. Due to the result, it was seen that explained variance on service quality from was 14% for psychological empowerment and 21% for structural empowerment. As a result, we found out empowerment impacts service quality negatively rather than positively. Moreover, psychological empowerment has a more negative effect on service quality. One reason can be employees are using empowerment in the wrong way while acting with customers and that affect customer satisfaction and leads to affecting the service quality as well. Solution for this is not impossible, we suggest that managers educate the employees before about empowerment and how to use empowerment during work. In addition, managers need to choose the employees that they want to empower; employees who are well-educated need to be empowered. And this important for employees to be remaindered often why they are being empowered because empowerment is for helping customers not bossing them around.

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