

Employees' Empowerment and Customers' Satisfaction in Insurance Industry in Nigeria

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ABSTRACT

This study examines the relationship between employees' empowerment and customers' satisfaction in the insurance industry in Nigeria. Based on extant empowerment literature, perceived employee satisfaction, perceived employee loyalty and perceived commitment impact on perceived product quality and perceived service quality delivery. We used a survey of 200 employees from insurance companies operating in Nigeria to examine the relationship between employees' empowerment and customer satisfaction. The results of hypothesis tested confirm that, there is a significant relationship between employee empowerment and customer satisfaction. The challenges facing insurance sub-section in financial sector of Nigeria economy is high rate of labour turnover and poor service delivery, therefore, we recommend that management should empower their employees, in order to attract staff retention, loyalty and commitment.

Keywords: *Employees' Empowerment, Customers' Satisfaction; Insurance Industry in Nigeria.*

INTRODUCTION

Although, customers of service organizations are friendly, most of them seek for firms that offer values, such as close accessibility, security, clean and attractive office layout to do business with. Despite the above, it is worthy to state that where a service firm has well trained empowered staff that treats customers with respect, communicate confidently with them and offer outstanding service, such a firm would increase her customer base more rapidly than her competitive rivals. No doubt, in this globalized era, Customers who have interactive relationship with empowered and skilled employees of their service organizations are likely to be more loyal to the firm in their business transactions.

Customer satisfaction in insurance industry is posited to be a function of service quality i.e. customer service, corporate image, price, innovativeness and convenience, among others. Odindo and Delvin (2010) noted that increase customer satisfaction has the potential to enhance organizational performance and as a result managers should have customer satisfaction as a key target. Oloko & Ogutu (2012) stated that, in recent past, employee empowerment has been promoted as a general recipe for enhancing work performance. In support of the above, Manzoor (2012) claimed that, empowerment provides benefits to organizations and makes sense of belonging and pride in the workforce. He further contended that, it builds a win-win connection among organizations and employees, which is considered an ideal environment in numerous organizations and their employees. Empowered employees focus their job and work-life with additional importance and this leads to constant progress in coordination and work procedures. In his contribution to empowerment literature, Ayinde (2012:183) provided a lucid definition: 'empowerment means giving power or entitlement to people, helping them acquire capabilities or qualifications, establishing structures which enable them to have more control over decisions affecting them.

Insurance industry in Nigeria could be traced to the British colonial trading companies who established agency offices in Nigeria, on behalf of insurance companies in UK. After the Nigerian political independence of 1960, indigenously owned insurance companies sprang up, which as a result of inadequacy of capital, were unable to pay claims at as when due. This inadequacy of capital coupled with lack of technical and managerial skill, poor insurance regulatory framework, brought confidence crisis and strong apathy to insurance purchase, in Nigeria.

With increase in knowledge and information technology, insurance consumers started to criticize the insurance providers for unfair and unreasonable delays in claims settlement, poor customer service, cut-throat competition, lack of professionalism among others.

Despite the enormous amount of research work carried out in the field of employee empowerment, throughout the developed and emerging economies of the world, there is still inadequate literature on employee empowerment and how it affects customers' satisfaction in Nigeria. In short, there is little or nothing known about the importance of employee empowerment influence on customers' satisfaction in insurance industry in Nigeria. This study therefore posits that, employee empowerment can be the panacea to the public distrust and lack of customers' satisfaction in the insurance industry in Nigeria (Ademulegun 1975). We argued that, insurance service being an intangible, heterogeneous, perishable, service product, produced and consumed simultaneously, only empowered employees can seek to differentiate themselves from their rivals by treating customers in the way they would want to be treated, thereby attaining the quality service that makes the difference. To many customers and potential insurance consumers in Nigeria, whom insurance service is a technical product, the first contact persons (employees) represent the insurance company. If these employees are able and satisfactorily meet their needs, they are not only satisfied, but would become emotionally attached to the company.

The service industry, insurance inclusive is characterized by extensive customer involvement. Thus, with the interactions between customers and practitioners, customers satisfaction is thus closely associated with service performance and various service encounters through the system (Yeh-Yun-Lin 2002). Empowerment enhances employees sense of personal power and allows them to delight their customers. Working through organizational hierarchy to gain approval delays the service and jeopardizes customers' satisfaction. From the above consideration, this study's objective is to evaluate the effect of employees' empowerment on customer satisfaction in the insurance industry in Nigeria. In Nigeria, little is known about the predictive power of employees' empowerment on customers satisfaction, particularly in insurance industry where production and consumption of her service products are highly susceptible to customers' involvement. To assess the predictive power of employees empowerment in this research, the construct was operationalized into:

- i. Employees having adequate resources and information
- ii. Employees continual training skill development
- iii. Employees opinions are sought in decision making (task autonomy)

The benefits that can be derived from empowerment include employees' commitment, high quality products/services, efficiency, responsiveness, synergy, management leverage, and increased competitiveness in the global marketplace (Yeh-Yun-Lin 2002). Littrel (2007) also found out that employee empowerment leads to improvement in the employee job satisfaction, enhanced employee relationship with customer, goods suppliers, other employees, supervisors and management.

Building on the above research, we believe it is worthwhile to extend the literature on employees empowerment by empirically verifying the impact of employees' empowerment on customer satisfaction in insurance service industry, where there is enormous customer involvement in the production and consumption of her service products.

LITERATURE REVIEW

Basis and Definition of Empowerment

Employees empowerment involves putting employees in charge of what they do. Randolph (1995) defines employee empowerment as 'a transfer of power' from employer to employees. In an employees' empowered organization, managers learn to give up close supervision and control, while employees learn to take responsibility for the work they do, by taking appropriate decisions. Therefore they are accountable, for their actions. Fleming et al (2005) stated that in sales and service organizations, and in many professional service firms, value is created when an employee interacts with a customer. Indeed the employee customer encounter is the factory floor of sales and services. Furthermore, they noted that, every

interaction an employee has with a customer represents an opportunity to build that customers emotional connection or to diminish it. Obviously, these interactions are not only ways to the customer's heart, but they are a large and largely untapped resource.

The implication of the above is that, every company positioned to achieve meaningful operational and financial breakthrough in this increasingly competitive era, must manage and nurture the employee-customer encounter, and empowerment with great care. Writing on empowering employees, Robbins (2001) stated thus 'Decision

making is being pushed down to the operating level, where workers are being given the freedom to make choices about schedules and procedures and to solve work related problems. Ketchum & Trist (1992) observed that empowering teams should be the central concept for managers who wish to improve their organizational performance.

Insurance is a variable service product, where customers are involved in the production and consumption of the service. Imagine frontline employees in Nigerian insurance industry, such as sales representatives, underwriters, claim handlers, being empowered to use their initiative in decisions regarding work schedules, terms and conditions of cover, risk exceptions and exclusions, underwriting requirements and claim settlement, there would be increased trust, customer-employee positive relationship, customer satisfaction and increased productivity. Today what we have, is stringent adherence to formal rules and policies regulating customer employee relationship. Employees are unable to use their discretion in handling or treating one good risk differently from another.

Akintunde (1998) observed that the most fundamental of the many troubles that have bedeviled the industry as revealed by the responses to our questions, are lack of awareness and wrong perception of insurance business and its practitioners. Perhaps there would have been a better perception of the insurance service and its practitioners, if the employees are empowered. The implication of the above is that in an employees' empowered organization, the people on the frontline who provide customer service are considered to be the most important people. They are trained to do their jobs, but once trained in the jobs and the organization's goal, they are given the authority to do what is necessary to serve the customer

Wilkinson's (1998) cited in Ongori (2009) noted that, psychologically, employee empowerment affects the employee's inner nature e.g. (attitudinal shaping); their expressed behaviour e.g. (information sharing) or both e.g. (self imaging). This form of empowerment is internal state of intrinsic motivation. To buttress Thomas & Velthouse's model (1990) cited in Ongori (2009), noted that employee empowerment is based on four dimensions or task assessment, that affects a person intrinsic motivation for the job at hand; and these are:

- **Meaningfulness:** The meaning of a value of a task goal or purpose, judged in relation to individual own ideals of standards.
- **Competence:** Competence is an individual's belief in his or her capacity to perform task activities skillfully.
- **Self determination (or choice) autonomy** in initiation and continuation of work behaviours' and processes and impact.
- **The perception of the degree to which the individual can influence certain outcomes of work.**

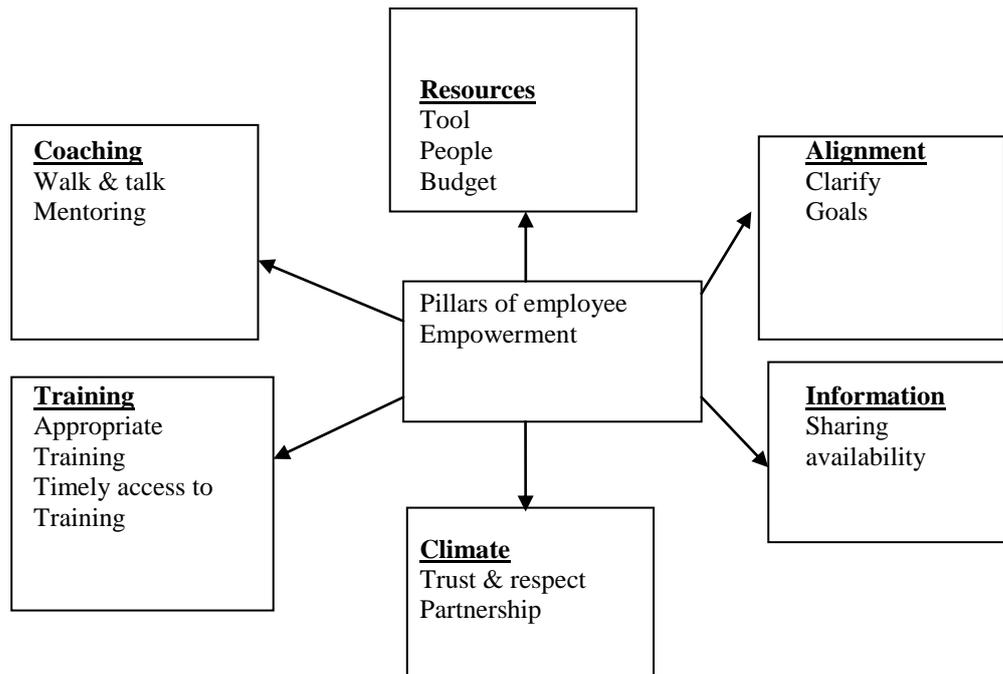
Ongori and Shunda (2008) stated that Empowerment is getting workers to do what needs to be done rather than doing what they are told and it involves delegation, individual responsibility, autonomous decision making and feelings of self efficacy. Managers empower their subordinates by delegating responsibilities and assisting them when they have problems. This makes subordinates to be more satisfied with their managers and in return they will perform to the managers' expectations (Ongori 2009).

Furthermore, he said 'there are three closely inter-linked essentials which are the keys to the success of employee empowerment in organization. These include:

- i. **Attitude:** This relates to the psychological stance (frame of mind) of an individual or group of individuals, in respect to a concept, central theme or idea. In general, Ongori (2009) noted that one's attitude are learned from those in authority over one (parents, teachers, managers) and are reinforced by subsequent experience unless or until some other different experience enlightens with a new message entirely.
- ii. **Commitment:** This is a sense of duty and obligation to ones organization. Ongori (2009) suggested that, everyone in the enterprise, direct from the managing director downward must accept responsibility to make sure that the process of employee empowerment is successful in organization.
- iii. **Involvement:** This is considered as the keystone of corporate success for employee empowerment. Ongori noted that where employees are involved in the identification, discussion and agreement of personal objectives (in relation to corporate plan) there is a higher desire to ensure that the task for which one is responsible, is carried out efficiently and effectively.

Ongori and Shunda (Ibid) further stated that for employee empowerment programme to be successful in organization, management must put in place a structure in the system to support the whole process. They suggested the basic pillars of employee empowerment as thus:

Fig. 1



Source: Ongori & Shunda (2009)

Resources: These include financial information, tools and equipments.

Coaching: Managers must act as mentors in their organizations.

Alignment: Alignment of organization goals with the strategy (integration). Goals formulated by management should be specific, measureable, achieved and realistic and should have the time limit to be achieved.

Information: Employees should get the necessary information in good time to make thoughtful decision.

Climate: High degree of trust among the employees should be highly encouraged and maintained. A higher degree of trust among the employees will make them do the right things and make right decisions at the right time, which will add value to the organization.

Training of

Employees: Should be encouraged by management in organizations in order to develop the knowledge and skills of their employees.

Employees' Empowerment and its Benefits in Service Delivery

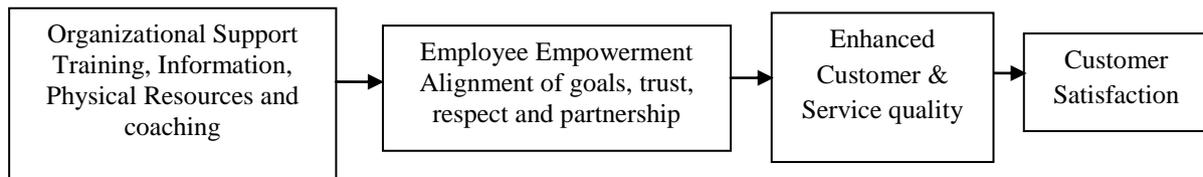
Insurance services are variable because it requires customer involvement. Customers needs are variable and therefore need a degree of employees personal contact with the customer. Employees who are not allowed to take decisions affecting their jobs in this service industry are unlikely able to perform well. Aziz (2008) observed that, the levels of their service may also be affected if they are not in a positive mood to do their job. These conditions may have some impact on the value of quality that they deliver which may well have some influence on the customers evaluation and possible dissatisfaction'.

Ongori and Shunda (2008) argued that lack of employee empowerment in many organizations is considered as a major source of organizational stress and conflict. Management to a certain degree, will reduce stress among their employees by empowering them, Ongori (2009) stated that lack of employee empowerment in organizations is considered as a stressor to individual and members of their team. Furthermore, he said management has a prerogative duty to ensure that stress caused by lack of employee empowerment is minimized by encouraging employee empowerment.

Empowerment improves productivity of the employees. Robbins (2001) asserted that when people who actually do the work are allowed to make their own job related decisions, both the speed and quality of those decisions often improve. Most employees today are willing to accept responsibilities. This is because Robbins (2001) stated that Today's workers are far better educated and trained than their parents and grandparents. Ketchum and Trist (1992) observed that empowering terms should be a central concept for managers who wish to improve their organization performance.

Employee empowerment makes employees feel at the centre, and they are vital to the success of the organization (Ongori, 2009). This, in the long run would make the employees to be more committed towards the organization objectives with less intent to quit. Employee empowerment makes employees feel that they are valued in organizations and will create a high degree of job satisfaction and commitment. Employees are motivated by both intrinsic and extrinsic rewards (Ongori 2009).

Empowerment of employees also builds and creates a sense of belonging (Ongori, 2009). The need for belongingness and acceptance are satisfied through employee empowerment. Empowered employees find their work becomes exciting, stimulating, enjoyable and meaningful. This is more particular so when they are involved in decision making that influence, when and how the job is carried out. Employee empowerment builds trust, promotes effective communication and good relationship. Employees feel most valued through empowerment, therefore are more cooperative, and loyal.



Employee empowerment process and outcome model

Employees' Empowerment and Customer Satisfaction

Empowerment contributes to organizational success and effectiveness. Empowerment of employees serves as a vote of confidence in the employees' ability and initiative towards achieving the organizational objectives. Ongori & Shunda (Ibid) citing Flohr & Host (2000) stated that employee empowerment increases organizational effectiveness and employee well being. In addition, Ongori and Shunda stated that empowered employees will provide exceptional customer service in several competitive markets and thus improve profits of the organizations through repeated business. Similarly, employee empowerment is one of the strategies used in organization in promoting of good relationship between the employee and the customers (Dizgah, 2011).

Ongori (2009) reported a concrete example on how restaurant management empowered their employees, by allowing them to make decisions concerning their jobs and about customer satisfaction, the outcome was marvelous, employees were in a position to make decisions quick without going back to consult their bosses and the end result was that customer satisfaction was high, because employees were empowered to solve customer problems on their own and on the spot.

The goal of employee empowerment is to achieve organizations goals through employee creativity. Since one of the organization's goals is customer satisfaction, it is important that in this era of globalization, where intense competition is rife, there is need to empower employees in order to be able to respond quickly to changes in the business environment. Parker (1994) cited in Ongori (2009). The individual and members of the team should be empowered, by so doing, the organization would be able to achieve its objectives and this will make the organization in question to be competitive with others in forms of human resource utilization.

The above shows that employee empowerment is critical for the success and sustainability of an insurance company in this era of globalization. Employee's empowerment also provides significant benefits to the individual as earlier highlighted. Ongori (2009) stated that it makes employees believe that they are vital to the success of the organization. It is a vote of confidence in the ability of employees to significantly contribute to organizations success.

RESEARCH FRAMEWORK AND HYPOTHESIS

The theme of this research is to shed light on the impact of employee empowerment, as a new management concept, on customer's satisfaction in the insurance industry in Nigeria. Employee empowerment is particularly relevant in service industry such as insurance because employees have the greatest frequency of direct customer contact.

Aziz (2008) noted that the performance of customer contact employees is essential in ensuring the success or failure of the service exchange. Employees personal conduct and attitude play an important role in affecting customers awareness of the quality of service delivered. Using the Ongori & Shunda (2008) basic pillars of employee empowerment the study is poised to research on the impact of employee empowerment on customer satisfaction in insurance service in Nigeria.

Resources & Information

From Figure 1; Resources according to Ongori and Shunda include finance, information, tools and equipments. With regards to information, they said employees should get the necessary information in good time to make thoughtful decisions. For employee empowerment to be successful, management must adequately provide employees with the resources to work. Thorlakson (1996) cited in Ongori (2009) argued that employee empowerment is getting workers to do what needs to be done rather than doing what they are told. It involves delegation, individual responsibility, autonomous decision making and feeling of self efficacy. Ongori on his part started that 'the management style of the future must change and accommodate the empowering culture in organizations.

Hypothesis 1

Adequate resources and information do not position employees better to perform their jobs to customers' satisfaction.

Coaching and Training

By coaching, the researchers mean managers must act as mentors to their subordinates in their organizations. With regards to training, they stated that, training of employees should be encouraged by management in organization in order to develop the knowledge and skills of their employees (Ongori & Shunda, 2009).

It is the responsibility of management to ensure that employees receive training on the duties and responsibilities of their positions and the various policies, regulations, rules and procedures related to their employment. According to Ongori & Shunda (2009) Good leadership inspires the subordinates, creates a vision to be followed by the organization and empowers employees through training and development.

Hypothesis 2

Employees' encouragement, support and task autonomy do not position employees to influence customers' loyalty.

Alignment and Climate of Trust

Ongori & Shunda noted that, alignment and integration of organization goals with the strategic goals formulated by management should be specific, measurable, achievable and realistic and should have the time limit to be achieved. With regard to climate, they stated that, high degree of trust among the employees should be highly encouraged and maintained. Ongori (2009) suggested that, vision and goals of the organization must be clearly spelled out by the top management.

Methods

This study is designed to measure and determine the extent to which employees in Nigerian Insurance Industry are empowered to carry out their duties. Second, it will also appraise employees' perception of empowerment as a determinant of customer satisfaction in the insurance industry. Survey research design was applied and the questionnaire to measure employees empowerment which was adapted from Spreitzer (1995) psychological empowerment.

Research Instrument

The questionnaire applied was designed to gather demographic information of the respondent employee, his/her perception of employee empowerment and customer satisfaction. Each questionnaire has three sections. Details of the measurement are as follows:

- a. For the demographic variables, the age, gender, work experience (tenure) job status, marital status, educational qualification etc, were measured.
- b. For empowerment, 3 items each were used to measure four dimensional scales of employee empowerment, on a 5 point likert scale ranging from strongly agree, agree, undecided, decided and strongly disagree. (Spreitzer 1995) adapted.
- c. For the customers satisfaction, the extent to which customers are loyal and repeatedly purchase their services; are employees able to meet customer changing needs; service quality standards; excellent customer service prior and post-purchase, were measured on four items scale; on 5 point likert format scale. Section C of the questionnaire has four items corresponding to the four dimensions of employee empowerment.

Sampling Design

The study population is made up of the staff forty nine recapitalized insurance companies operating in Nigeria. Since there is no available sampling frame, to determine the sample, random sampling method was applied to

select twenty insurance companies randomly to participate in the research. Letters were dispatched to the Human Resources Managers of the selected companies briefing them of the importance of the research while at the same time soliciting for their cooperation.

Finally, a package containing ten questionnaires were addressed and sent to the Human Resources Managers of twenty insurance companies that were randomly selected. They were instructed to judgmentally distribute the ten questionnaires to staff of various units in their organization. All respondents should have at least a minimum qualification of West African School Certificate. Out of 200 questionnaires sent out, 120 useable ones (about 60%) were returned which were fully completed; and were used for the analysis.

Data Analysis

A correlation coefficient will be used to determine the strength of association or linear relationship between the attributes of employees' empowerment and customers' satisfaction. The statistical package named SPSS 19 was used. The SPSS provides a lot of useful statistical tools for evaluating data in testing the study hypotheses. Three major statistical analysis tools used in this study are reliability analysis, descriptive statistics and statistical inference analysis

Reliability Analysis

Reliability of the instrument was one of the concerns to this study. The reliability scale text was utilized to evaluate the validity of the comparison i.e. influence of employee's empowerment on customer's satisfaction based on the structured questions. According to Tavakol and Dennick (2011) reliability is concerned with the ability of an instrument to measure consistently. Reliability of an instrument is closely associated with its validity. An instrument cannot be valid unless it is reliable.

In determining the reliability of the instruments, the Cronbach's Alpha was used to measure the reliability of the comparison and a test score of .75 was obtained this shows a relatively high reliability.

Descriptive Statistics

Here the respondent's characteristics and demographics would be shown; the profile of the respondents would include sex, age marital status etc. The tables below gives a graphic detail of the respondents demographics.

Table A: Sex Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	FEMALE	38	32.1	32.1	32.1
	MALE	82	67.9	67.9	100.0
	Total	120	100.0	100.0	

The table (A) above shows that out of the 120 respondents, 67.9% of the respondents are male and 32.9% are female, hence it can be inferred that majority of the respondents are male.

Table B: Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	56	46.4	46.4	46.4
	MARRIED	64	53.6	53.6	100.0
	Total	120	100.0	100.0	

The table (B) above shows that out of the 120 respondents, 46.4% of the respondents are single and 53.6% are married, hence it can be deduced that there is a near perfect distribution in marital status of the respondents.

Table C: Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND/NCE	4	3.6	3.6	3.6
	MBA/MSc	13	10.7	10.7	14.3
	HND/BSc	103	85.7	85.7	100.0
	Total	120	100.0	100.0	

The table (C) above, shows that out of the 120 respondents, 3.6% of the respondents are OND/NCE holders, 10.7% are M.Sc/MBA holders and 85.7% are HND/BSc holders, hence it can be deduced that majority of the respondents are graduates.

Table D: Length of Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5years	68	56.6	56.6	56.6
	6-9	34	28.3	28.3	84.8
	10-14	13	10.8	10.8	95.8
	15-20	5	4.2	4.2	100.0
	Total	120	100.0	100.0	

The table (D) above shows that, out of the 120 respondents, 56.6% of the respondents have below 5 years work experience ,28.3% 6-9years, 10.8% 10-14years and 4.2% 15-20 years work experience, hence it can be deduced that majority of the respondents are less experienced.

Table E: Management Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SENIOR	13	10.7	10.7	10.7
	MIDDLE	17	14.3	14.3	25.0
	JUNIOR	90	75.0	75.0	100.0
	Total	120	100.0	100.0	

The table (E) above shows that out of the 120 respondents, 10.7% of the respondents are senior managers,14.3% middle managers and 75% junior managers, hence it can be deduced that majority of the respondents are junior managers.

Table F: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	greater than 35	39	32.5	32.5	32.5
	less than 35	81	67.5	67.5	100.0
	Total	120	100.0	100.0	

The table (F) above shows that out of the 120 respondents, 32.5% of the respondents are more than 35 years old and 67.5% less than 35 years old , hence it can be deduced that majority of the respondents are below 35 years old.

Statistical Inference Analysis

A correlation coefficient will be used to determine the strength of association or linear relationship between the attributes of employees’ empowerment and customers’ satisfaction.

The hypothesis formulated in the study was tested in this section; Spearman’s rho correlation test statistics was used. The results are presented in the table below

Table G: Showing Spearman’s rho Correlation between Provision of Adequate Information, Resources and Customers Satisfaction

			Information and resources	Customers satisfaction
Spearman's rho	Information and resources	Correlation Coefficient	1.000	.409
		Sig. (2-tailed)	.	.624
		N	120	120
Spearman's rho	Customers satisfaction	Correlation Coefficient	.409	1.000
		Sig. (2-tailed)	.624	.
		N	120	120

Table G above showed the Spearman’s rho correlation between provision of adequate information for resources and customers satisfaction. The correlation of 0.409 showed a positive low correlation between provision of adequate information, resources and customers satisfaction, hence the alternative hypothesis is accepted.

This means that provision of adequate information, resources does influenced satisfaction of customers by employees, such influenced is relatively low.

Table H: Showing Spearman’s rho Correlation between Provision of Adequate Skills, and Customers Loyalty.

		Skills	Customers satisfaction
Spearman's rho	Skills	Correlation Coefficient	1.000
		Sig. (2-tailed)	.624
		N	120
	Customers satisfaction	Correlation Coefficient	.785
		Sig. (2-tailed)	.624
		N	120

Table H above showed the Spearman’s rho correlation between provision of developmental skills and customers loyalty. The correlation of 0.785 showed a highly positive correlation between provision of developmental skills and customers satisfaction, hence the alternative hypothesis is accepted.

This means that when employees are encouraged and supported in the development of their skills through appropriate training, it would position them to perform their job to meet customer’s satisfaction, thus earning their loyalty.

DISCUSSION AND RECOMMENDATIONS

Previous studies of the impact of employees’ empowerment and customer satisfaction found conflicting results. For instance, Jonathan and Johnmark (2012) found no relationship between employees’ empowerment and customers satisfaction in some selected hotel establishments in Jos Plateau State, Nigeria. Similarly, Nareem and Sait (2010) also found no relationship between employees’ empowerment and customer satisfaction in the Pakistani commercial banking sector.

However, this current study supports the earlier findings of similar studies carried out in Taiwan and Malaysia respectively. Tsau, Chang, and Wu, (2004) in a study titled ‘Promoting service quality with employees empowerment in Tourist Hotels: The role of service behaviour in Taiwan found out that the more empowerment the employees perceive, the better the service quality customers perceive. In addition, the researchers also found out that, if employees had a great influence and autonomy on their job, then they could consider the individual needs of the customers and offer personal service.

Similarly, in Malaysia, Aziz (2008:249) found in his study, employees’ empowerment and customers’ satisfaction in a Hotel service organization, that customers were happy and pleased with the service that was provided by the empowered employees.

Managerial Implications

This Research has a number of practical managerial implications. According to the findings of this current study, managers in the insurance industry should allow customer-contact employees to have autonomy or self control over what happens in their work, so that they could offer efficient and effective services through fulfilling responsibilities to the customers, using their discretion on tasks as specified in their job description.

Insurance thrives on trust. Since satisfaction is emotional, empowered employees would be able to influence customers’ satisfaction through their autonomous interactive service delivery process. Given that, empowerment is associated with valued organizational outcomes, such as productivity, commitment, etc, organizational efforts to foster empowerment should prove fruitful. Employees’ empowerment is a win-win situation, because making employees more responsible for their tasks, will not only stimulate them to succeed and become more productive, but will also makes the manager more productive.

An insurance manager who wants to empower his employees must first of all let them know the vision and the mission of the organization. Once they are aware of what the manager desire to achieve, they will be committed. For instance, the manager wants his company to be the best insurance services provider in Nigeria, (organizational vision) and then provides appropriate assistance or resources, managerial support, encouragement and feedback on results; employees will appreciate and feel belonged.

Second, for employees to continually feel empowered and make customers feel satisfied with their services, they must be handsomely rewarded for their productivity. Otherwise, they will feel that the manager do not appreciate their hard-work. To some people, money could be a nice motivator. However, an end-of-year other rewards such as, bonus, a paid vacation, materials gifts and an official recognition, can always be appreciated.

CONCLUSION

The paper is primarily focused on examining the relationship between employees' empowerment and customers' satisfaction. It is widely recognized from past literature that customer needs will be satisfactorily met only when employees needs are being satisfactorily met (Gandhi & Kang, 2011). This implies that to get satisfied customers, a firm must first strive to meet employees' needs. No doubt, according to Bulgarella (2005) satisfied employees are empowered employees in other words, they have the resources, training, and responsibilities to understand and serve customer needs and demands. Empowered employees have intrinsic rewards at work, therefore are satisfied, because satisfaction is emotional.

Customer satisfaction is expressed as a function of pre purchase expectations and post purchase perceived performance of the respective product/service (Gandhi & Kang 2011). Employees play significant role in ensuring customer satisfaction, just as Partboteeah et al (2010) stated 'while explicit statements of what is and is not acceptable are crucial to regulating employees' behaviour, organizational rules and procedures cannot work by themselves'. The above supports one of the findings and the accepted alternative hypothesis that employees who are encouraged and supported in the development of their skills, through appropriate training, are better positioned to perform their jobs to meet customers satisfaction. The implication is that insurance companies who can take their employees from their current skill level to where they need to be, to deliver a consistent quality customer experience, will enjoy a significant competitive advantage.

In the insurance industry, the customer could be the insurance intermediary, the group benefits manager/corporate insurance officer, or the individual policy holder. The insurance empowered employees (employees that are supported with information, resources, training and skills development) would need to interact with these persons in order to develop awareness of a respond to their goals and needs.

In this expansive competitive global business environment, any insurance company looking forward to improve profitability and increase customer retentions must be able to position his employees to provide consistent and accurate answers to customer's inquiry. Here lies the much need service quality that only empowered employees can deliver to customers' satisfaction.

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