

The Perceived Leadership Style and Employee Performance in Hotel Industry – a Dual Approach

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Abstract

Hotel industry is an industry based on specific services and a high degree of employees (especially front line employees) client direct contact. A good relationship with the manager helps the subordinate to work beyond his daily effort, to be oriented to improve continuously his work performance and to give maximum of satisfaction to clients.

This research paper is aiming to discuss the perceived leadership style and employees' individual performance related to job satisfaction and organizational commitment in the hotel industry from Romania. In order to achieve this, it was explored a dual perception: managers' perception and employees' perception. Four leadership styles were studied: autocratic, participative, transformational and transactional. The employee performance was studied taking into account: efficiency and efficacy.

The method of research was based on questionnaires using Likert Scale measurement. These were applied on 20 managers and 30 employees without management position.

The differences and similarities were identified in the dominance of the leadership style and in employees' perceived individual performance. Managers perceived their own leadership style more autocratic and participative meanwhile employees perceived them to be more autocratic and transformational. Employee performance is not perceived as being high by them self and managers. Both agree that the quality of employees' work majority depends of their interest and of their relationship with their colleagues.

Keywords: Leadership style, employee performance, hotel industry, job satisfaction, organizational commitment

JEL classification: M 10, J54, M51

Introduction

Leadership is a complex phenomena and defining it requires to take into account a lot of dimensions and variables. Năstase M. & Barbu M introduce a new approach of leadership defining it through „leadership mix”. The variables used are: knowledge, brain competence and social competence. These three leads to a

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mix of leadership composed of Flexibility, Followers, Force & Firmness, Facilitator and Feelings' Intelligence (Năstase & Barbu, 2011).

Another approach of leadership is related to the influence that the leader has it on a person in order to determine him to follow and to achieve the results in the best manner as possible. According to Ciulla (after reviewing 221 definitions of leadership) the most common element used when defining leadership is "leadership is about one person getting other people to do something" (Ciulla, 2002).

Hotel industry provides unique services and experiences for clients. According to this, employees must be very well prepared to face many unexpected situations. Comparison to employees from other industries, the ones from the hospitality industry are working long hours and they have low incomes (Tsai, et al., 2010). How to rise the employee performance in this condition it is a big challenge for each hotel manager.

1. Introduction on leadership style and employee performance

Leadership in the hotel industry is necessary to be studied in order to know and to understand better the effects that managers' leadership style can have on employees' performance at their daily job. Further, this can be reflected on hotel performance even if researches cannot assume that „better” leadership leads to „better” business performance (Erkutlu, 2008).

1.1 Leadership style

Many authors agreed that a leaders' style varies according to his personality, environment, education, training and personal philosophy (Hughes, et al, 1999; Mintzberg, 1973 in Clark H. et al. 2009).

In the context of banking system in Iran the study results showed that participative leadership style is more appropriate for service organizations than directive leadership (Dolatabadi &Safa, 2010). Employees who perceived their managers having a participative leadership style obtained a high performance (Yousef, 2000). If the performance is low, managers will use an autocratic style and if the performance is high, more participative leadership style will be used by the managers (Yun et al., 2007).

The participative managers involves employee in decision making process. Managers who adopt an autocratic style are „telling to the subordinates what they are expected to do, how to do, when it is to be done, and how their work fits in with the work of others” (Hughes, et al, 1999 in Clark et al., 2009). A study in the public institution system showed that the manager takes into account their suggestions (at a rate of 34.17% "strong level") and that are encouraged to express their ideas and personal opinions (Bibu & Moş, 2012). A participative leadership style is applied.

Other studies prove that transformational leadership style has a positive association with work performance of subordinates more than transactional one. Also, transformational leaders obtain higher leadership outcomes (Limsila & Ogunlana, 2008). Transformational leaders help their subordinates to perform

beyond expectations through charisma and intellectual stimulation. They develop to follow a vision and motivate them to strive for the vision (Yun, et al., 2007). In the context of hotel industry in UK were collected data from 444 hotels (of 3 stars). One of the main result was that transformational leadership style is the ideal style for managing frontline employees in a hotel (Clark, et al., 2009).

A difference between transactional leadership style and transformational regards the effects on follower. Transactional leader motivates subordinates to perform as expected meanwhile the transformational leader inspires followers to do more than expected (Hartog D, et al., 1997).

1.2 Employee performance

In the literature employees' individual performance was studied through dimension such as „quality of performance” and „productivity”. These were measured using four items on Likert Scale (Yousef, 2000).

It is recommended that managers to find out which are the variables that can lead frontline employee to a high performance. Some results of the studies showed that trait, competitiveness, self-efficacy and effort are significant predictors of frontline employee performance (Karatepe, et al., 2006).

According to Motowidlo & van Scotter (1994) the construct „employee performance” has two dimensions. First one refers to „task performance” (or technical job performance) and second dimension is about „contextual performance” (or interpersonal job performance) (Yiing & Ahmed, 2009).

Yousef (2000) made a very detailed review about the relationship between leadership style and job performance. He concluded that the results are “not entirely consistent” or they are “inconsistent”. There were found out positive relations, negative relations and no relation.

Radu & Năstase (2009) investigated leadership and gender differences between men and women. It was demonstrated that women are more opened to feedback related to performance, they are more opened towards new and do establish higher standards.

In this research paper the employees' individual performance approach is explained using two important elements to define performance: „high efficiency” and „a high efficacy”.

2. Research questions and objectives

The important research questions are as follows:

- What is the leadership style of hotel managers perceived by their employees in a hotel?
- What is the managers perception about their leadership style?
- What is the employees perception regarding their job performance?
- What is the managers perceptions regarding employees' individual performance?

First objective is to find out what are the differences between these two perceptions studied. Second one is to highlight the similarities between these two perceptions. The third one is to collect information about the relationship between leadership style and employee performance in hotel industry in order to extend the research on a bigger sample.

3. Research methodology

The methodology is based on quantitative method. It has been distributed the same questionnaire for two types of sample: one for managers and one for the employees. This research is a pilot study due to its sample limitation and representatives. It was carried out to see what inconvenient can appear in the research process, which are the retentions of the respondents and what improvements must be performed to use the study on a sample more than 300 respondents.

The collecting period was February-May 2012. The sample was made up of all managers and employees without management position from 3 and 4 stars hotels from Timisoara and Arad, Romania. There were validated answers only from 20 managers and 30 employees.

The questionnaires were distributed using Google – Spread Sheet by emails and printed assisted by an operator. There were annulated 7 questionnaires because of their lack of information.

The data was interpreted using Microsoft Office Excel Programme. In order to evaluate the respondents' appreciations it was used the Likert Scale (Likert, R., 1932). For each positive item it was calculated an average media using (+2) Strongly Agree, (+1) Agree, (0) Undecided, (-1) Disagree, (-2) Strongly Disagree. For each negative item was calculated using (-2) Strongly Agree, (-1) Agree, (0) Undecided, (+1) Disagree, (+2) Strongly Disagree. After that it was calculated a arithmetical media of scores obtained previously.

The questionnaire was developed using items from Leader Behavior Description Questionnaire different versions for each type of leadership style studied. There were selected 5 items for each leadership style.

Items for **autocratic** leadership style were adapted from Leader Behavior Description Questionnaire Version 12-LBDQ XII (3 items) used by Cook et al. (1981) and Leadership Strategic Questionnaire- LSQII, short version used by Scully et al. (1994), Ball (1994) (2 items).

Items for **participative** leadership style were adapted from Leader Behavior Description Questionnaire Version 12-LBDQ XII (3 items) used by Cook et al. (1981) and 2 items used by House (1971a), House and Dessler (1974);

Items for **transformational** leadership style were adapted from the Multifactor Leadership Questionnaire developed by Bass, Riggio (2006) and Bass, Avolio (1989). 3 items were adapted from MLQ - 5X developed by Bass and Riggio (2006, p. 21) and 2 items adapted fom MLQ 8Y developed by Bass, Avolio (1989) (Hartog et al., 1997, p. 29).

Items for **transactional** leadership style were adapted from MLQ 5X used by Bass and Riggio (2006, p. 21) (5 items).

Items for **employees' individual performance** were developed by the author taking into account the significance and the relevance of the concepts. The operational definition of the construct is based on two performance dimensions: efficiency and efficacy using Likert Scale.

There were developed items for **respondents profile** about: years worked in hotel and hotel industry, courses for professional development, studies, age, gender.

4. Results of the research

The results are viewed from two points of view: first is from managers' perceptions about the effects of their leadership style on employees' individual performance and second is related to employees' individual performance perceptions about the effects of managers' leadership style. There were findings of differences and similarities between these two perceptions regarding leadership style and performance.

4.1 Managers' perceptions about the effects of their leadership style on employees' individual performance

- **Leadership style perception**

The majority of managers consider that they have a **autocratic** leadership style (score 1,6). Closed by it is **participative** leadership style with a of score 1,14. Although managers apply high standards and ask for employees to respect them, they also involve employees in decision making process and ask their opinions in different situation (see figure 1).

In the hotel industry it is very important to respect high standards of services that's why managers' attitude to apply and keep this is justified. Keeping employees closer in decision process proves that there is a high credibility in employees' ability to make good decisions which can influence their job quality and clients satisfaction.

Transactional leadership style registered a score of 0,84 closed by +1. This means that managers perceive them as being moderate oriented to reward employees when they achieved their objectives and assignments at their work place. They do not step in problems until them become more intensive (management-by-exception). The lowest score was obtained by **transformational** leadership style (score 0,72). Managers are less individualized consideration oriented and less inspirational motivation oriented.

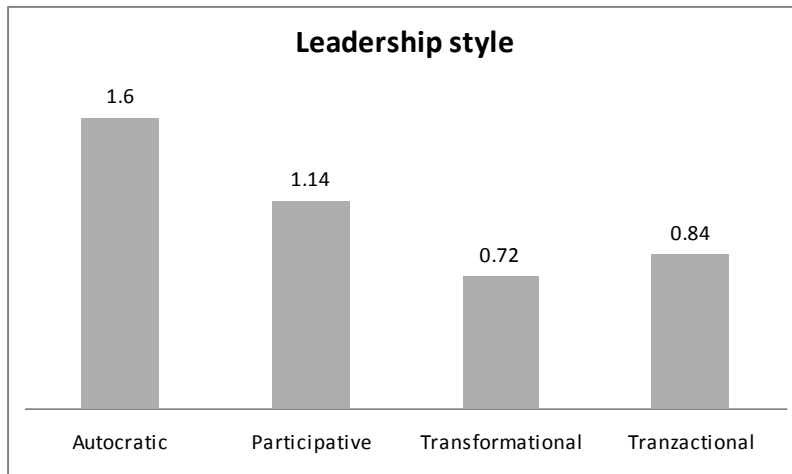


Figure 1. Managers perceptions about their own leaderships style

- **Managers perception about employees' individual performance**

Managers perceive employees majority as being not performance oriented but also as being aware that: *their job results depend of manager behavior* (score 1, perf.7), *their good results are influenced by the quality of work of others colleagues* (score 1,2, perf.6) and that *the quality of their job performance depends majority of employees' interest* (score 1,5, perf.2).

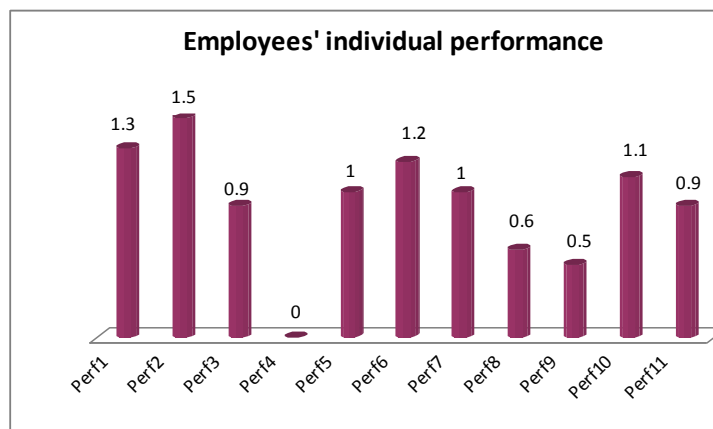


Figure 2. Managers perception about employees' individual performance

Managers consider that *the time in which an employee performs his task is high* (score 1,1, perf. 10) and *he must put much effort for performing his tasks as good as possible* (score 1, perf.5). These results are sustained by the low score of *employees who achieve their job results with minimum effort* (score 0, perf.4).

The results proves that overall employees' individual performance is low even that the employee are preoccupied to do their job as good as possible. Employees must improve their efficiency and efficacy of their on job performance at their work place.

Most of the managers (60%) agree with the fact that the hotel *management has a policy which encourages the employees to obtain maximum of results with minimum of effort*. The degree in which *managers are concerned to offer courses for stimulate employees results* is medium (score 0,6, perf.8). Managers do *not strongly believe that employees will be available to attend courses for specialization* (0,5, perf.9). This is a very low score correlated with the low performance of employees and with the necessity of improve their efficiency and efficacy.

- **Managers profile**

Most of the managers (60%) said that they attended courses of hotel management. At the question „*Did you followed leadership courses for the managerial position?*” 75% said „yes” and 25% said „no”. This mean that most of managers have a specific level of leadership knowledge that can be applied in their daily work. They work in hotel on an average 7 years and in hotel industry for on an average 11,5 years. 67% of them have the age between 25- 44 years, followed by 33% 45-54 years. 61% there are of masculine gender and 39% are of feminine gender.

4.2 Employees' perception about managers' leadership style and about their on individual performance

- **Employees' perception about managers' leadership style**

Employees perceive their managers' leadership style as being **autocratic** (score 0,88) followed closely by **transformational** leadership style (score 0,61). In employees opinion managers are persons who inspire them and worth trust. These are characteristics of transformational leadership style and seems to be very concluding for employees.

Participative leadership style and **transactional** leadership style obtained very closer scores (0,31 and 0,30) (see figure 3). This means that the respondents are not involved in the decision making process (as managers said their are) and their job performance is not rewarded. Another cause of low score of participative leadership it could be the managers' attitude and behavior. Although they ask for employees opinions, further they do not take them into account in decision process.

Overall the scores are positives and closed by 1. Neither one style is close by 2. That mean that even the answers are positive they aren't too strong and too significant. Also this shows that the employees were reserved in telling exactly what's the true leadership style in their opinion choosing frequently “Undecided” point.

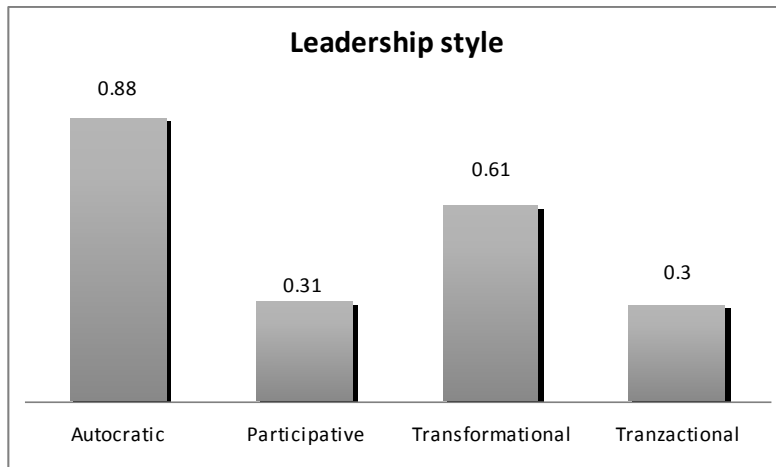


Figure 3. Employees' perception about managers' leadership style

- **Employees' perception about their own individual performance**

The employees assume that they *are preoccupied to perform their job as good as possible* (score 1.73, perf.1), that they *are aware that quality of their work depends of their interest* (score 1.64, perf.2) and that *they fulfill in a satisfied manner their job tasks* (score 1.41, perf.3). They agreed that *their job results do not depend in a high degree of managers' behavior* (score 0.36). All these score are closed by 2, that means the answers were consistent (see figure 4).

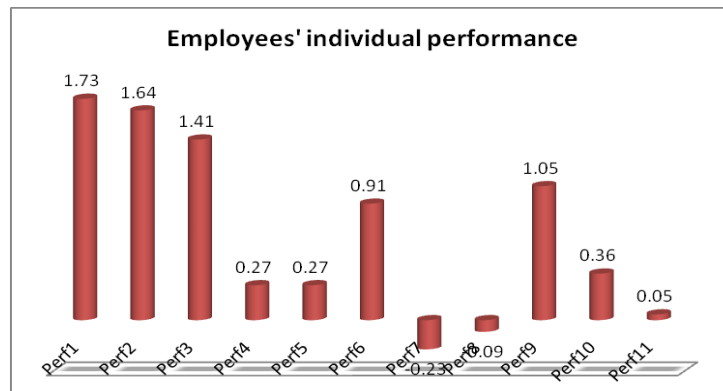


Figure 4. Employees' perception about their own individual performance

Regarding the efficiency and the efficacy of the employees, the score and the answers are similar and confusing. Employees assume that *they put a lot of effort in performing their job* (score 0.27, perf.4) and in the same time *they said that they achieve their result at the work place with minimum of effort* (score 0.27, perf.5). Their inefficiency is proved by the item „*the time performing my tasks is high*” (score -0.23, perf.7).

The employees answers about the hotel performance politic are contrary with managers responses. They say that the hotel management does not have a *politic who encourage the employee to obtain maximum of results with a minimum of effort* (score 0.05, perf. 11). Also they claim that the *managers are not preoccupied to offer them course for stimulating their performance* (score -0.09, perf.9).

Although they are less performers they do not have a strong desire of invest in improving this. This can be seen from the item score 1.05 (perf.9) „*i'm willing to invest time for my specialization courses*”.

It wasn't identified a strong connection between their quality of work and managers' behavior and quality of work of others colleagues. Majority chose „Undecided” and „Disagree”. Employees are aware that their job performance strongly depends on their interest at the work place in doing the right and good thing for the hotel and especially for the clients satisfaction.

- **Employees' profile**

The majority of respondents (60%) are from front office (reception), food and beverage department. 40% from them are from housekeeping department and other departments (financial, marketing, human resources). In medium they have been working in hotel about 5 years and in the hotel industry about 6 years.

62% attended courses for their job and 38% didn't attended. Most of the respondents were 54% women and 46% were men. The age is between 25-34 years old 30%, under 25 years old 32% and the rest of the respondents 48% are above 35 years old.

5. Limits of the research

Even this research is a pilot study and it's representativeness is low, it has a few limits that must be taken into account in further empirical researches.

First limit was regarding the area of applying the questionnaires. There have been chosen only hotels from Arad and Timisoara of 3 and 4 Stars. Further it can be extend in other cities and at the 5 stars hotels. More, the results can be correlated and it can be seen if the leadership style and employees' performance are different or similar and how strong are the influences.

Second limit was the difficulty to get the employees without managerial position to complete the questionnaires. Some of the questionnaires had been distributed by the department managers and because of this the employees were afraid that managers will find out their responses. The third limit was the difficulty to get the managers to complete the questionnaires because of their lack of time.

Conclusions

The similarities identified are:

- Autocratic leadership style is perceived as being the most used style by the managers;

- Both of the respondents believe that employee performance is low;
- Co related with transformational leadership style (score 0,84) the low employee performance shows that managers do not have reason for rewarding employees because they do not fulfill tasks at work;
- Both agree that the quality of employees' work majority depends of their interest and of their relationship with their colleagues.

The differences identified are as follows:

- Managers think they are more participative than transformational as employees assumed;
- Employee said that the job results does not depend of manager behavior even managers disagree with this. They are preoccupied to perform their job as good as possible.

In the table 1 below it is indicated the medium scores of variables for a good overview of the relations studied.

Table 1. Managers and employees differences perceptions*

Leadership styles	Managers score	Employees score
Autocratic	1,6	0,88
Participative	1,14	0,31
Transformational	0,72	0,61
Transactional	0,84	0,30
Employees' individual performance	0,90	0,67

**expressed in medium scores*

This research will be extended and two more mediator factors will be added: organizational commitment and job satisfaction. This way the effects of leadership style on employee performance will be investigated indirectly. The results obtained bring their contribution to the knowledge of leadership style and employee performance in the hotel industry. They also indicate that managers must find the good solution to help the employees to increase their individual performance.

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