Correlates of Leadership Style among Employees in the Hotel Industry

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Abstract
Quantitative methodology was conducted to examine the correlates of leadership style among the study group in the hotel industry. Subjects of this study completed a questionnaire containing two measures of their perceptions of their supervisors’ leadership practices and their feelings of their employing company. The results of this study support prior research which suggests that leader initiating structure is positively correlated with affective commitment. The higher the degree of leader initiating structure, the more positive the employees’ attitudes were toward their organization. As expected, leader consideration had a significant and positive effect on affective commitment. That is, increase in the degree of leader consideration was associated with increase in the affective commitment. Contrary to previous research, this study argued that the correlation between initiating structure and continuance commitment was insignificant. This study pointed out that leader consideration had a slightly positive correlation with continuance commitment, but this correlation was not statistically significant.

Key Words: Leadership Style, Employees, Hotel Industry

Introduction
Taiwan is separated from Mainland China by the Taiwan Straits and is located along the southeastern coast of the Asia continent, at the Pacific Ocean, between Japan and Philippines. Taiwan is one of the most attractive destinations for tourists in the World. The hospitality and tourism industry has greatly contributed to the economic development of Taiwan. In order to create high economic growth, the Taiwanese government continues to implement the Doubling Tourists Arrival Plan. Under the plan, the Tourism Bureau of Taiwan launches a series of sub-programs. These include arranging new package tour routes, developing new sites, providing the Taiwan Tour Bus service and developing the meeting, incentives, conferences and exhibition (MICE) industry. The Tourism Bureau aims to attract at least 5
million international visitors within the succeeding years. In view of this, the hotel industry is expected to continue growing to serve the number of tourist arrivals that stably increase every year.

In recent years, many companies start to increase their investments in the hotel service industry. Competition in the domestic hotel market has become increasingly intense. In such a fiercely competitive environment, an important goal hotels need to achieve is to satisfy and retain customers. Employees play an important role in business transactions and serve as interfaces and bridges between firms and customers. Previous research indicated that employees with high organizational commitment exhibit a greater desire to realize the company’s goal (Steer, 1977). One factor that is clearly recognized to have a significant influence on employee’s attitudes is leadership style (Hasan and Grace, 2006). Thus, understanding the correlates of leadership style among employees seems important. However, studies regarding leadership style in the hotel industry in Taiwan are limited. Therefore, the present study attempts to explore the correlates of leadership style using employees in Taiwan’s hotel industry as the population. The purpose of this study is to yield important implications for the administration in hotels, particularly in the area of human resource management in training programs.

Literature Review and Research Hypothesis

Leadership Style

Leaders potentially play a role in inspiring the behavior of followers (Malhotra and Mukherjee, 2004). Brain and Lewis (2004) indicated that leaders have a potential of enhancing the moral development of followers. Yukl (1994) argued that leaders tend to strengthen followers’ motivation to perform the specifics of their assigned tasks. Leadership style, in the form of initiating structure and consideration, has emerged as a significant predictor of organization (Johns, 2006). Several studies have examined the relations between leadership style and organizational commitment. Leadership style generally is characterized in terms of initiating structure and consideration. In this study, leader initiating structure is defined as “leader behaviors that involve organizing work, giving structure to the work context, defining role responsibilities and scheduling work activities for subordinates”; leader consideration is defined as “leader behaviors that tend to show friendship, trust, and respect for subordinates” (Stogdill, 1974). Leader initiating structure and consideration are two independent dimensions of supervision and not opposite ends of a single continuum.

Leader Initiating Structure and Organizational Commitment

Empirical evidence indicates that initiation of structure induces employees to perceive higher felt responsibility and thus have higher affective commitment (Johnston et al., 1990). Andert et al. (2011) argued that Mexican employees typically want to be closely supervised in a paternalistic manner. Mexican employees become extremely loyal and hardworking when they feel that supervisors could provide them with a clear definition of job responsibility (Kaplan and Norton, 2004). Heiens and Pleshko (2011) found that employees wish to receive advice on how to perform at higher levels. Therefore, Heiens and Pleshko argued that leader initiating structure that clarifies employees’ roles and directs employees to improve their job performance can motivate employees to exert considerate effort for their organization and enhance employees’ identification with their organization. Johnston et al. (1990) reported that leader initiating structure that provides employees with training programs to minimize unclear job requirements can reduce employees’ role ambiguity and thus increase employees’ intentions to be a member of their organization. Johnston et al. concluded that leader initiating structure has a positive influence on employees’ continuance commitment to their organization.
In general, it is expected that leader initiating will be associated with positive attitudes. Hypotheses relating leader initiating structure to organizational commitment are:

**Hypothesis 1.** Leader initiating structure will be positively related to affective organizational commitment.

**Hypothesis 2.** Leader initiating structure will be positively related to continuance organizational commitment.

**Leader Consideration and Organizational Commitment**

Schein (2004) reported that leader consideration could enhance subordinates’ affective organizational commitment. Schein explained that leader consideration tends to be concerned with the needs of subordinates and respects subordinates as people. According to Schein, subordinates working with leader that show concern for subordinates have a psychological satisfaction with their organization. Therefore, Katz and Kahn pointed out that because of this psychological satisfaction, subordinates exhibit a strong motivation to achieve organizational goals and thus affective commitment to the organization is developed. Agarwal and Ramaswami (1993) suggested that leader consideration generally involves some degree of employee participation that allows employees to feel part of the organization. Therefore, Agarwal and Ramaswami concluded that leader consideration has a positive influence on salespersons’ affective organizational commitment.

Johnston et al. (1990) conducted a study to examine the relationship between leadership style and organizational commitment. Johnston et al. found that leader consideration that provides employees with compensation packages and opportunities for promotion can enhance employees’ job satisfaction and thus increase employees’ desire to stay with their organization. Johnston et al. also found that leader consideration which offers socialization programs that give employees sufficient information about role expectations can reduce employees’ role ambiguity and consequently decrease employees’ propensity to leave the organization. Therefore, Johnston et al. concluded that leader consideration has a positive influence on employees’ continuance commitment to their organization. The more considerate the supervisor is to the individual, the greater is the individual’s organizational commitment (Aydin and Ceylan, 2009).

In general, it is expected that leader consideration will be associated with positive attitudes. Hypotheses relating leader consideration to organizational commitment are:

**Hypothesis 3.** Leader consideration will be positively related to affective organizational commitment.

**Hypothesis 4.** Leader consideration will be positively related to continuance organizational commitment.

**Methodology**

Quantitative methodology was conducted to examine the correlates of leadership style among the study group in the hotel industry. Subjects of this study (n = 353, response rate = 63%) completed a questionnaire containing two measures of their perceptions of their supervisors’ leadership practices and
their feelings of their employing company. Data collected from respondents were analyzed using statistical methods.

**Data Collection**

The empirical data for this study was gathered from a national sample of employees, randomly selected from 16 hotels listed in the directory of Taiwan Tourist Hotel Association. With the assistance of the human resource division managers of the sample hotels, a questionnaire with a covering letter was distributed to 560 employees. The questionnaire consisted of the Leadership Behavior Description Questionnaire (LBDQ)-XII, and Organizational Commitment Questionnaire (OCQ). The covering letter explained to the respondents the purpose of this study, the importance of responding and the strict confidentiality of their responses. After two mailings and after excluding the unusable responses, a final sample of 353 was obtained, resulting in a 63 percent response rate.

**Measures**

This study used a questionnaire consisting of 2 measures that are widely recognized standardized instruments with high reliabilities. These measures were designed to assess the dimension of leadership style and its situational consequence, organizational commitment. To assess the independent variable of leadership style, this study used the Leadership Behavior Description Questionnaire (LBDQ)-XII. To assess the dependent variable of organizational commitment, this study used Organizational Commitment Questionnaire (OCQ). Each of the measures was originally written in English. In order for them to be read by the employees in the Taiwanese hotels, these measures were translated into Chinese. The process of translation was that all statements in the English version of the measures were translated into Chinese by a professional translator. Then the Chinese version of the measures was translated back into English by another professional translator. After repeating the process of translation twice, the researcher found that the two English versions of the measures matched. Therefore, the Chinese version of the measures was treated as an accurate translation from the English version and was used in this study.

**Leadership style**

Leader Behavior Description Questionnaire (LBDQ)-XII developed by Stogdill (1963) was used to measure how employees feel about their immediate supervisor. The LBDQ-XII consists of 20 items that evaluate two major types of leadership behaviors: initiating structure and consideration. Odd-numbered items measured the leader initiating structure. Even-numbered items measured the leader consideration. In terms of a 5-point scale (1 = never, 2 = seldom, 3 = occasionally, 4 = often, 5 = always), respondents indicated how frequently their supervisors engage in the described behavior by circling one of the five choices. A high score on the sum of either odd- or even-numbered items indicated that their supervisors tend to display that particular type of behavior. The internal consistency reliability (Cronbach’s alpha) for this measure in this study is 0.78.

**Organizational Commitment**

The widely recognized Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979) was used to measure the degree of employees’ commitment to their current organization. The OCQ contains 15 items that assess two dimensions of organizational commitment: affective commitment and continuance commitment. Of the 15 items, 9 focused on affective commitment and 6 focused on continuance commitment. A 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree) was employed. The higher the average score of a particular dimension, the greater the level of that type of organizational commitment. The coefficient alpha reliability for this measure in this study was 0.84.
Research Framework

Based on literature review and research hypotheses, leadership style is treated as an independent variable and organizational commitment is treated as a dependent variable. This study proposed a research framework shown as follows:

Results

This study proposes four hypotheses. Regression analysis was conducted to test these hypotheses. The results of the regression analysis are presented in Table 1. Leader initiating structure was positively and significantly related to affective commitment (B=0.25, p=0.00). Increasing one standard deviation unit of leader initiation structure could enhance the level of affective commitment by a standard deviation of 0.21 (Beta=0.21). Thus, the higher the degree of leader initiating structure, the more affective commitment the employees have to their organization. On the other hand, the results indicate that the correlation between the leader consideration and affective commitment was positive (B=0.33) and reached statistical significance (p=0.00). Increasing one standard deviation unit of leader consideration could enhance the level of affective commitment by a standard deviation of 0.26 (Beta=0.26). Thus, higher levels of consideration in leaders could lead to higher levels of affective commitment in employees. Based on the above findings, hypotheses 1 and 3 were supported.

Regarding the correlation between leader initiating structure and continuance commitment, the results of the regression analysis are surprising. Contrary to findings in U.S. studies, leader initiating structure had a slightly positive effect on continuance commitment (B=0.07), but the effect was not significant (p=0.19). On the other hand, the leader consideration-continuance commitment correlation is not in the expected direction. The results suggest that leader consideration was not significantly related to continuance commitment (B=0.06, p=0.23). Based on the above findings, hypotheses 2 and 4 were not supported.
Table 1. Correlates of Leader Initiating Structure and Consideration

<table>
<thead>
<tr>
<th>Variable</th>
<th>Supervisory Behavior</th>
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<td></td>
<td>Leader Initiating Structure</td>
<td>Leader Consideration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Beta</td>
<td>R²</td>
<td>Sig.</td>
<td>B</td>
</tr>
<tr>
<td>Affective Commitment</td>
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<td>0.21</td>
<td>0.12</td>
<td>0.00</td>
<td>0.33</td>
</tr>
<tr>
<td>Continuance Commitment</td>
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<td>0.05</td>
<td>0.01</td>
<td>0.19</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Sig. = Significance

Discussion

The results of this study support prior research which suggests that leader initiating structure is positively correlated with affective commitment. The higher the degree of leader initiating structure, the more positive the employees’ attitudes were toward their organization. One explanation for this finding could be that leader initiating structure clearly directs subordinates what they are supposed to do and how their work is to be done. This, in turn, could enhance subordinates’ work efficiency in ways that make subordinates feel that their contributions are of value to the organization. As a result, subordinates are likely to exhibit a high level of affective commitment to their organization.

As expected, leader consideration had a significant and positive effect on affective commitment. That is, increase in the degree of leader consideration was associated with increase in the affective commitment. A possible reason for this finding could be that employees have psychological satisfaction with their leader who exhibits consideration, such as supportiveness, recognition, and representation (Dionne and Yammarino, 2004). Due to the psychological satisfaction, employees are willing to put in a great deal of effort beyond that normally expected to reach their organizational goal. Another reason could be that employees may feel comfortable when experiencing behaviors reflective of consideration, such as flexibility in decision making. Such feelings could lead employees to exhibit positive emotional responses to their leader, thus increasing affective commitment to their organization. The results of this study, as shown in Table 1, also indicate that R² was 0.34. The R² statistic can measure the proportion of variation in the affective commitment (dependent variable) explained by the leader consideration (independent variable). Therefore, this study argued that leader consideration explained a portion (34%) of the total variation in the level of affective commitment.

Contrary to previous research, this study argued that the correlation between initiating structure and continuance commitment was insignificant. That is, leader initiating structure does not have a significant effect on continuance commitment. A tentative explanation for the lack of significant correlation could be that employees in the study group would expect a sense of continuance commitment based on leaving cost (e.g. pension benefits, personal financial situation, or prestige), not leader consideration. The higher the costs associated with leaving an organization, the stronger the desire an employee will exhibit toward staying with their employing organization (Becker, 1960). This study pointed out that leader consideration had a slightly positive correlation with continuance commitment, but this correlation was not statistically significant. That is, leader consideration does not significantly influence the level of continuance commitment. According to Becker’s side-bet theory (1960), the costs associated with leaving an organization are an important factor that could influence the level of continuance commitment. A logical explanation for the insignificant correlation is that leaving costs, such as salary, reward, or family responsibility, might contribute to the level of continuance...
commitment than leader consideration. No matter what leadership style employees perceive, these employees exhibit a high level of continuance commitment when their leaving cost is increasing. Furthermore, a potential interpretation for the slightly positive correlation could be that leader consideration positively influences the level of affective commitment which causes the level of continuance commitment to be indirectly increased. That is, leader consideration might indirectly increase employees’ desire to stay with their organization by enhancing employees’ willing to help their organization become successful.

Conclusion
As shown in Table 1, the correlation coefficients between initiating structure and affective commitment and between leader consideration and affective commitment were 0.21 and 0.26, respectively. Comparing these correlation coefficients, leader consideration exhibit a stronger influence on affective commitment than initiating structure (0.26 > 0.21). A company leader needs to provide leader training programs for supervisors in each level of the organizational hierarchy. The programs should emphasize the characteristics of leader consideration. Based on the responses from the subjects of this study, the training program could improve the manager’s skills of responding favorably to suggestions made by others, of showing flexibility in making decisions, and of treating others fairly.

This study has two limitations. First, due to the time and cost constraints, this study only surveyed employees in the hotel industry. Therefore, the results of this study may not be generalized to employees in other industries. Second, the researcher distributed questionnaires to respondents and requested them to express their perceptions of their immediate supervisor and organization. The self-reported data from the respondents may result in common method variance. That is, respondents may apply the same biases to each questionnaire. As a result, the correlation between leadership style and organization commitment may be higher than it really should be.

This study suggests several avenues for future research. First, leadership style could lead to other important outcomes such as role ambiguity, role conflict, job satisfaction, and reduction of work alienation. Hence, additional research in investigating other important outcome variables is recommended. Second, further research is suggested to conduct similar studies surveying employees across different industries, such as banking, travel, and retailing services. Third, a qualitative method can be used to collect descriptive information by asking respondents open-ended questions. The information gathered is totally different from the data collected by closed-ended questions such as those used in this study. Future research should conduct similar studies using a qualitative method.
References


