

THE EFFECTS OF LEADERSHIP STYLE ON THE EMPLOYEES' JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT FROM THE HOTEL INDUSTRY

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ABSTRACT

The study of leadership in the context of the hotel industry and hospitality industry in Romania was characterized by sporadic attempts to identify the optimal and effective leadership style and also the most desired by the employees. Few researches were focused on identifying the positive or negative effects of the leadership style on the level of job satisfaction and organizational commitment of the employees.

According with this lack of empirical research, the first objective of this paper work is to identify the effects that the leadership style has on the employee job satisfaction. The second objective is to investigate the relationship and effects of leadership style on the organizational commitment of the employees in the context of the hotel industry in Romania.

The research methodology was based on a theoretical documentary study of the literature and a critical reviews of the empirical research. The quantitative method was based on questionnaire distributed to a sample made of 367 employees from Romanian 3 and 4 star hotels. The data were processed in the Statistical Package for the Social Sciences (SPSS).

The results reveal that statistically significant and positive relationships were identified between the participative, transformational, transactional leadership style and the employee job satisfaction. When studying the relationship between the constructs 'job satisfaction' and 'organizational commitment' it was found that the relationship is statistically significant, positive, direct and very powerful. It was also found that the transformational leadership style has a direct, positive and statistically significant effect on the organizational commitment of the employees.

KEYWORDS: *leadership style, job satisfaction, organizational commitment*

JEL CLASSIFICATION: *M00, M12*

1. INTRODUCTION

Leadership represents a large research area of study, both at a theoretical and empirical level. Research on leadership topic was conducted in many contexts, reaching thus to be conceptualized and addressed in different theories and definitions, depending on the vision of each researcher. Leadership is increasingly necessary in this era of globalization and it is found in all types of organizations, regardless of the type of ownership, size or scope of activity (Năstase, 2007, p.19).

The different leadership styles, under which it manifests itself, provide a more accessible research area and gives it a lower abstraction level. In the present research, the leadership style was operationalized through the authoritarian, participative, transformational and transactional leadership style. The leadership style is the influencing way in which the leader/manager directs and stimulates a person to achieve his personal or professional goals.

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In the context of the hospitality industry and consequently of the hotel industry, the study of the relationship and the effects that the leadership style has on the job satisfaction and the organizational commitment of employees can be considered to be in an emerging research stage. The need for research in this area is supported by Cutler A. (2010) who states that research on leadership are few and frequently have methodological limitations and are carried on a small sample (Gregor and Patterson, 2000) and / or are focused on a single hotel (Tracey and Hinkin, 1994) (in Cutler A., 2010, p.235).

The results of the present empirical research are part of a complex leadership style effects research developed in Romanian hotel industry in period 2011-2012. Each of the scientific research hypothesis analyzed has an empirical background described in the literature review part. Few of them are studied or validated in hotel industry context. That's why most of these research results are new in the Romanians' literature.

2. LITERATURE REVIEW

Before 1998, there were three major studies that constantly analyzed leadership in the hospitality industry: Nebell and Stearn (1977), Worsfold (1989) and Tracey and Hinkin (1994) (in Pittaway L., 1998, p.412-415).

In the international literature there are numerous studies supporting the existence of a relationship between the leadership style and the employee job satisfaction in different contexts (Halpin, 1954; Patchen, 1962; Nealy and Blood, 1968; Greene and Schriesheim, 1977; Katerberg and Horn, 1981; Wycoff and Skogan, 1994 in Bartolo K., Furlonger B., 2000, p.88). The existence of a relationship is not enough, but it also must be identified its its effects (positive / negative). In addition, the managers can influence the employee job satisfaction, commitment and productivity by adopting an appropriate leadership style (Rad and Yarmohammadian, 2006, p.xvii).

It is known that the employee satisfaction has a major impact on the activities in an organization. The employees who are satisfied with their work, tend to be more productive, more efficient and more often than not, happy employees lead to happy customers (Bibu N. and HananAbd El Moni, 2011, p.475).

2.1 The empirical background of the scientific research hypotheses regarding the linkages between leadership style and the employee job satisfaction

H1a –The authoritarian leadership style has a direct and a positive effect on the job satisfaction of the employees.

Research shows that the authoritarian leadership style does not often affect the employees' job satisfaction (CW Tsai, 2008, p.296). The authoritarian style (directive) is negatively associated with the job satisfaction of the employees (Yun et al., 2007, p.178). The results of the study conducted within work teams by Yun et al. (2007) highlighted that there is no relevant effect of directive leadership on job satisfaction.

The studies in the context of steel industry and electronic meeting systems highlights the existence of higher job satisfaction and better performance under the influence of the directive style due to the high degree of structuring of the work tasks in contrast with the supportive leadership style, which is preferred when the tasks do not have a high degree of structuring (Downey et al., 1975, Kaha et al., 1997 in Yiing, Ahmad, 2009, p.57). The study was conducted on a sample of 238 Malaysian UM MBA students and researchers.

According to Tsai's (2008, p.321-323) empirical research, the results have revealed that the hotel employees do not have a high level of job satisfaction when structured leadership behavior is applied (high level of structuring) and the level of satisfaction regarding the salary, colleagues relationship and promotion possibilities it is low. Only the satisfaction in relation with the manager showed the highest degree of correlation.

Another relevant result obtained by Tsai (2008, p.323) shows that the job satisfaction of the employees may increase when the leadership is based on individual consideration and high level of structuring. This result is supported by previous studies conducted by Lok and Crawford (2004, p.321).

A study carried out in the aviation-firemen context reveals that the leadership based on structuring is positively associated with the job satisfaction stemming from the firemen's work (Bartolo K., Furlonger B., 2000, p. 90).

H1b –The participative leadership style has a direct and positive effect on the job satisfaction of the employees.

Clark R. et al. (2009) investigated the relationship between participative style and the job satisfaction in the context of the hotel services. They concluded that this does not affect employee satisfaction at work although in some studies the results are contrary (Bass, B. 1981). The study by Clark R. et al. (2009, p. 222-223) has shown that adopting only this style is not enough in order to lead to satisfaction. Kim (2002) identified a positive relationship between this leadership style and job satisfaction (in Yiing, Ahmad, 2009, p.57). The studies from the specialized literature (Maeroff, 1998, Rossmiller, 1992) validate the hypothesis according to which job satisfaction relates positively with the participative style (in Bogler R. 2001, p. 666). In addition, both in the private and public context, the participative leadership has a moderate to high degree of predominance. Thus, a study conducted on 120 employees in public institutions showed that the manager (leader) takes into consideration their suggestions and encourages them to express their ideas and personal opinions (64%) (Bibu N. and Moş L., 2012, p. 84).

H1c –The transformational leadership style has a direct and positive effect on the job satisfaction of the employees.

The transformational style, conducted within work teams, has a positive effect on job satisfaction (Yun et al., 2007, p. 186). This result confirms other studies such as Koh, Steers & Terborg, 1995, Sosik 1997, Sosik, & Avolio Kaha, 1997 and Bass, Waldman & Yammarino, 1990 (in Yun et al., 2007, p. 186).

Under the effect of this style the degree of employee satisfaction increases (Bogler R., 2001, p. 676). The study was conducted in the education system of Israel with a number of 745 respondents (teachers). The studies from the specialized literature (Maeroff, 1998, Rossmiller, 1992) support the assumption that job satisfaction relates positively with the transformational style (in Bogler R., 2001, p. 666).

The transformational style components (charisma, intellectual stimulation and individualized consideration) have a high level of correlation with job satisfaction and organizational commitment (Emery C. and Barker K., 2007, p. 77). This study was conducted in the context of banking and food manufacturing companies.

All the components of the transformational style have been significantly and positively correlated with job satisfaction, especially with the part referring to the relationship with the supervisor (hotel context, Turkey, 722 respondents, out of which 60 managers and 662 simple employees). Bryman (1992) and Bass & Avolio (1994) argue that all the dimensions of the transformational style relates positively with job satisfaction (in Erkutlu H., 2008, p. 712).

H1d –The transactional leadership style has a direct and positive effect on the job satisfaction of the employees.

It has been found that transactional style has direct effects on job satisfaction (Yun et al., 2007, p.186). Other results, showed that it has a significant and negative impact (decreasing effect) on job satisfaction (Bogler R., 2001, p. 676). The study was conducted in the education system in Israel on a number of 745 respondents (teachers). Another study showed significant and positive relationships between the transactional style (contingent reward) and job satisfaction (Limsila K and Ogunlana S., 2008, p. 174).

2.2 The empirical background of the research hypothesis regarding the relationship between the job satisfaction and the organizational commitment of the employees

H2 - There is a positive relationship between job satisfaction and organizational commitment.

Authors such as Testa (2001), Statterry and Selvarajan (2005), Babin and Boles (1998), Chen and Silverthorne (2005) have highlighted that the employees' job satisfaction is the antecedent of organizational commitment and that between these two there is a positive correlation (in Tsai et al., 2010, p. 4122). Job satisfaction does not influence directly the employees' performance but it helps increasing it through the organizational commitment (Tsai et al., 2010, p. 4131). Others, results showed that there is a positive relationship between organizational commitment and job satisfaction (Limsila K, Ogunlana S., 2008, p. 174).

Naghi R. (2011, p. 303) conducted a research in the context of companies in various economic sectors and has identified that that job satisfaction has a positive effect on organizational commitment and on its dimensions: affective, normative and continuous. Job satisfaction has the strongest effect on affective commitment.

2.3 The empirical background of the research hypotheses regarding the linkages between leadership style and the organizational commitment of the employees

H3a–The authoritarian leadership style has a positive effect on the organizational commitment.

Yiing and Ahmad (2009, p. 57) show that the directive leadership style is significantly and positively related with the organizational commitment. The study was conducted on a sample of 238 Malaysian students UM MBA and researchers.

Other results showed that the directive leadership style on the employees' commitment to services quality is negative, this decreasing their commitment (Dolatabadi H., Safa M., 2010, p. 39). The sample was made of 194 frontline employees and 87 managers from the banks in Iran.

The results achieved by Tain-Fung Wu et al. (2006, p. 445) in international hotels in Taiwan show that the correlation between the direct style and the organizational commitment is not significant.

H3b - The participative leadership style has a positive effect on the organizational commitment.

Yiing and Ahmad (2009, p. 57) show that the participative leadership style is significantly and positively related with organizational commitment. Kim (2002) found a positive relationship between this leadership style and the organizational commitment (in Yiing, Ahmad, 2009, p. 57). A study conducted by Dolatabadi H., Safa M. (2010, p. 40) shows that the participative style has a positive effect on the commitment to service quality, shared values and the clarity of the employees' role. The results achieved by Tain-Fung Wu et al. (2006, p. 445) in international hotels in Taiwan indicate that the participative style leads to increased organizational commitment, having a positive and significant relationship.

H3c - The transformational leadership style has a positive effect on the organizational commitment.

A research conducted in the construction field, on a sample of 156 respondents (project managers, engineers, architects) in Thailand, concluded that the transformational leadership style is positively associated with job performance (the effectiveness of the employees) and organizational commitment of employees (Limsila K. and Ogunlana S., 2008, p. 164).

In another research conducted in the banking and fruit trade sector by Emery et al. (200&, p. 77) the results indicated that the transformational style is more correlated with the organizational commitment rather than with the transactional style.

All the components of the transformational style were significantly and positively correlated with the organizational commitment (hotel context, Turkey, 722 respondents, out of which 60 managers and 662 simple employees) (Erkutlu H., 2008, p.712).

H3d – The transactional leadership style does not have a positive effect on the organizational commitment.

There is no positive and significant relationship between the transactional leadership style and work performance (efficacy) and organizational commitment. The transactional leadership style does not increase the other two (Limsila K. and Ogunlana S., 2008, p. 164).

3. RESEARCH METHODOLOGY

3.1 The scientific research method and the research model

The scientific method applied is a quantitative method based on a questionnaire. The responses to the questionnaires were collected via Google Spreadsheet and via field operators from May 5 to June 15, 2012. When doing a visual analysis of the questionnaires, 22 questionnaires were cancelled as a consequence of only partial completion. A total of 389 questionnaires were returned, out of which 367 were validated. The validation rate was 94%. The sample consisted of 207 employees from 3 star hotels and 160 employees from 4 star hotels. It was used Likert Scale for all the items of the constructs.

Following the documentary study and the critical review of the literature, an **operational model of scientific research** was elaborated (see Figure 1) from which resulted **9 research hypotheses**. Through these hypotheses it was investigated the relationship and the effects of the leadership style on the job satisfaction and the organizational commitment of the employees in the hotel industry in Romania.

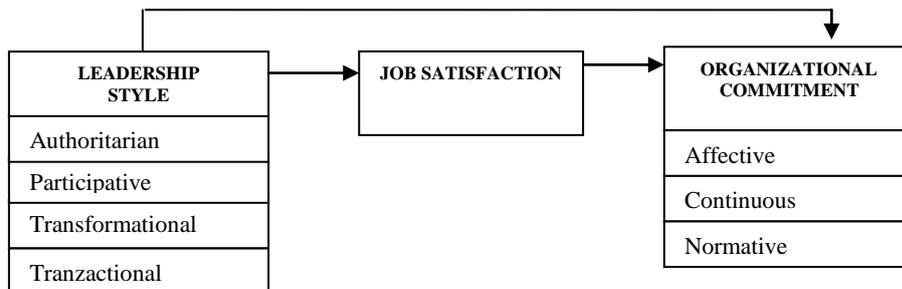


Figure 1. Scientific research model tested in hotel industry

Source: own approach

3.2 Statistical analysis of the data collected

Using the statistical data processing programmer (Statistical Package for the Social Sciences - SPSS), was done the validation of the constructs and of the research model (with the Pearson correlation coefficient) and were tested the hypotheses formulated (with Simple Linear Regression). Alpha Cronbach coefficient (α), was used to test the reliability of the 8 constructs analyzed (see Table 1). Due to the low number of items in the scale (less than 10 items), it is expected that the value of α should be minimally acceptable, $\alpha = 0.50$ (Pallant J., 2005, p. 90).

Table 1. The reliability of the constructs' testing

No.	Construct	Alpha Cronbach (α)
1	Authoritarian leadership style	0,519
2	Participative leadership style	0,781
3	Transformational leadership style	0,522
4	Transactional leadership style	0,545
5	Job satisfaction	0,857
6	Afective organizational commitment	0,725
7	Continuous organizational commitment	0,685
8	Normative organizational commitment	0,657

Source: own source from SPSS, 2012

Most of the eliminated items, used to describe organizational commitment, were the same as in the scale used by Naghi R. (2011, p. 350-358). This time it were eliminated two more items. These means that there are some particularities in the hotels' services that can influence the employees' responses at the work place.

4. RESULTS OF THE EMPIRICAL RESEARCH

The hypotheses H1b, H1c and H1d regarding the linkages between the participative, transformational, transactional leadership styles and the employees' job satisfaction were accepted. These leadership styles have a direct and positive effect on the job satisfaction of the employees, each contributing differently to increase employees' job satisfaction.

Out of the three results corresponding to the validated hypotheses, it appears that only the participative leadership style influences job satisfaction to a greater extent than other styles ($\beta = 0.194$). The transactional leadership style has an average influence ($\beta = 0.159$) on employees' job satisfaction. The lowest influences on employees' job performance it has transformational leadership style ($\beta = 0.118$) (see Table 2).

Tabel 2. Research hypotheses testing H1a, H2b, H3c, H4d

Independent variable	Dependent variable	Standardized regression coefficient function (β)	Level significance	Decision
Authoritarian leadership style	Job satisfaction	0,089	0,12	Rejected
Participative leadership style		0,194	0,002	Accepted
Transformational leadership style		0,118	0,034	Accepted
Transactional leadership style		0,159	0,009	Accepted

Source: own source from SPSS, 2012

The results corresponding to each leadership style support other research in the specialized literature presented previously. The level of employee job satisfaction increases if the manager / leader takes the following actions: he encourages them to get involved in making important decisions, to express their suggestions, opinions and disapproval of the decisions made. On the other hand, if the manager/ leader looks for different perspectives in solving problems, stresses the importance of having a well-defined target of the work and makes it clear for an employee what rewards he can receive and truly receives them when the performance targets are met, the employees are satisfied with such a behavior and become more satisfied with their work. In addition, the association with the manager fills the employees with pride and is a symbol of accomplishment.

Employee job satisfaction relates positively with their organizational commitment. The influence of job satisfaction is statistically significant and powerful ($\beta = 0.53$). We can say that the high level of employee commitment is influenced by the level of employee job satisfaction to a large extent.

Table 3. Research hypotheses H2 testing

Independent variable	Dependent variable	Standardized regression coefficient function (β)	Level significance (p)	Decision
Job satisfaction	Organizational commitment	0,53	0,000	Accepted

Source: own source from SPSS, 2012

No statistically significant relationship has been identified between the variables authoritarian leadership style, participative leadership style, transactional leadership style and organizational commitment. Therefore one cannot issue valid observations about the relationship between these constructs.

The assumption that transformational leadership style has a positive and statistically significant effect on the organizational commitment of employees (H3c) was accepted (moderate level of the influence, $\beta = 260$). The literature highlights different results between the two variables as presented before. Once again, the need for transformational leadership style in order to increase either efficiency or organizational commitment is confirmed. The explanation can be ascribed to the need of an employee to see in his manager an example, a person who supports him and stimulates him in his work.

Table 4. Research hypotheses H3a, H3b, H3c testing

Independent variable	Dependent variable	Standardized regression coefficient function (β)	Level significance (p)	Decision
Authoritarian leadership style	Organizational commitment	0,038	0,612	Rejected
Participative leadership style		0,083	0,325	Rejected
Transformational leadership style		0,260	0,000	Accepted
Transactional leadership style		0,034	0,677	Rejected

Source: own source from SPSS, 2012

Investigating deeply the level of job satisfaction, it has been found that overall the employees are satisfied. The satisfactory aspects were: work in general (71.1%), the relationship with the colleagues (61.9%), the relationship with their manager (52.3%), the work they currently perform (61, 6%), the respect of their rights (54.2%) and safety at work (50.7%). Concerning the salary and the opportunity to acquire new professional skills they declared themselves dissatisfied.

Thus, we can conclude that, in relation to the effort expended (because of the tangible / intangible work) for a quality work, the salary represents a dissatisfaction factor for 41.4% of the respondents. In the context of Romanian hotels, Băbăiță et.al (2010, p.530) showed that 67,86% from the employees said that the salary represents a motivational factor for them. As mentioned previously, numerous studies show that the employees are poorly paid and the unfavorable economic context emphasized the shortage of money and led to reduced revenues and modest wages.

In spite of the fact that the employees acknowledged that before being hired or even right when they got hired they attended training courses (either at the workplace or outside it), they now state that this is not the case anymore. The opportunity to acquire new professional skills has a certain level

of satisfaction in only 48.8% of the respondents, although most of the employees (72.7%) are willing to invest time in order to attend training courses at work.

The satisfactory relationship with the direct manager (52.3%), is supported by the positive relationship between the leadership style (participative, transformational, transactional) and the level of job satisfaction of the employees.

CONCLUSIONS

Managers must take into account the effects that their leadership style may have on the level of employee satisfaction and be able to adapt it to each new situation in the hotel business. They also must be aware of the style that is approved by their employees and that influences in a positive way their work and have a balanced job satisfaction.

Adopting a transactional and a transformational leadership style is recommended, since the employees feel satisfied, oriented and committed to their work, as it results from the analysis of the relationship job satisfaction- organizational commitment. We believe that managers should be concerned with maintaining job satisfaction and employee commitment through optimal reward methods.

According to the results one can say that the level of employees' job satisfaction is high and satisfactory. If we correlate the satisfactory results concerning work place with continuous commitment (long-term) we notice differences in the employees' opinion. Continuous commitment does not have a major influence within the overall commitment of the employees, that is why it may be concluded that the employees were either reluctant to tell the truth, or there were other variables that must be taken into consideration and that alter the perception of the workplace in general.

Based on the policies of employee training, the hotel management should constantly be concerned with developing the professional skills of the two types of employees that had been analyzed and should not neglect this aspect. Among the professional skills it can be recommended: negotiation skills, communication skills, conflict management, professional smile, the capacity of identifying and anticipating customer needs, understanding the customer with a simple glance.

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