Impact of Transformational Leadership on Hospitality Employees

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Transformational leadership is important to the hotel industry where employees play a critical role in delivering the service. Transformational leadership is a leadership style that causes changes in employees by sharing the organization's vision and goals, providing necessary resources, promoting intellectual stimulation, and expecting high performance.

transformation leadership   creativity   task performance   hotel industry

organizational identification

1. Introduction

Transformational leadership is a style of leadership that inspires followers to change their expectations, perceptions, and behaviors to work toward a common goal [1]. Simply put, it focuses on transforming followers for the betterment of organization. Because employees play a critical role in determining customers' perception of the service, having high-performing employees is important for achieving the organization's goals [2]. Transformational leadership can influence employees in terms of how they feel about the organization, perceive the job, and perform [3]. Faced with multitudes of challenges post- COVID-19 pandemic, the hotel industry needs to find ways to engage employees in the job and deliver high-quality services [4]. Transformational leadership may offer a solution to the problems by influencing the employees [5][6][7]. Prior research suggests that transformational leaders possess four characteristics of leadership behaviors: (a) core transformational behavior, (b) high-performance expectation, (c) supportive leader behavior, and (d) intellectual stimulation.

There are some studies that examined transformational leadership in the hotel context. However, none of them considered the effect of transformational leadership on employees' organizational identification, creativity, and job performance simultaneously. Given that hotel employees play a critical role in in determining the quality of service [8], it is important to understand how different dimensions of leadership influence the employees. Recent studies suggest that employees' performance is directly related to the organization's success [9], and employees' sense of belongingness to the organization (organizational identification) [10] and creativity are important for enhancing the organization's performance [11].

2. Impact of Transformational Leadership on Hospitality Employees

2.1. Transformational Leadership

The concept of transformational leadership was first proposed by Downton in 1973 [12]. Burns later solidified the concept by comparing transformational leadership with transactional leadership [13]. Because employees' work-related behavior is related to the organization's financial performance, organizations must pay attention to the behaviors of employees [14]. Pradhan and Jena [15] revealed that transformational leadership allows employees to continue to participate in their work to achieve goals and promotes innovative behavior. Since leadership is essential for improving the organization's performance (e.g., [16][17]), many researchers have investigated how transformational leadership would affect employees' attitude and behavior. For example, Eliyana and Ma'arif [18] show that transformational leadership helps increase employee productivity. Similarly, Alrowwad et al. [19] find that transformational leadership increases employee innovation, which in turn improves organizational performance. Also, Ng [20] reports that transformational leadership affects employee performance.

While some studies treated transformational leadership as a single dimension (e.g., [19]), some researchers suggest that it is comprised of four dimensions: core transformational leader behavior, high-performance expectations, supportive leader behavior, and intellectual stimulation (e.g., [6][7]).

2.1.1. Core Transformational Leader Behavior

Core transformational leader behavior refers to behaviors in which leaders clarify the vision to employees, provide appropriate success models, and support the employees to achieve the organizational goals [21][22]. Transformational leaders articulate a vision for the organization [23], sets organizational goals, and make effective communication to the employees. Transformational leaders will motivate the employees to work hard and become committed to the organization. Ultimately, successful transformational leaders will make the employees do more beyond their job demand [24]. Core transformational leaders act to be themselves and become role models for their employees [25]. Through core transformational behaviors, leaders will gain trust and respect from the employees, and employees will follow and emulate the leader [26].

2.1.2. High-Performance Expectations

Another element of transformational leadership is high-performance expectation. Transformational leaders set high expectations on job performance and provide tools and resources necessary for the employees to utilize [7][27]. When leaders expect high job performance, employees tend to hold high expectations of themselves (i.e., belief in their ability to effectively complete a given task) [28].

Based on the LMX theory (Leader–Member Exchange Theory), the relationship between leaders and members within an organization affects performance of the individuals and the organization [29]. According to the theory, when a leader expresses his/her expectation that employees would or should deliver high job performance, the employees respect and trust the leader and commit their own resources to performing the job [30]. This high-performance expectation that leaders have of employees is expected to be directly related to job performance [31].

2.1.3. Supportive Leader Behavior

Supportive leader behavior refers to a leader's behavior that is helpful for employees to complete a given task (e.g., encouraging employees to make improvements through developmental programs) [29]. It also refers to the extent to which leaders are actively involved in resolving difficult situations for the employees [32]. According to the Path–Goal Theory, leaders who are supportive and helpful can make subordinates improve their job performance and be satisfied with the organization [33]. Leaders need to engage in behaviors that address the needs of the employees. This will create a work environment where employees are motivated to achieve a high level of job performance and overcome obstacles [34][35].

2.1.4. Intellectual Stimulation

Intellectual stimulation refers to a leader's behavior that encourages employees to think creatively to solve problems on their own and promotes learning [36]. Leaders practicing intellectual stimulation allow employees to break away from stereotypes and come up with new ideas to solve a problem [37]. Intellectual stimulation will play an important role in encouraging employees to engage in organizational learning [38]. Leaders may stimulate intellectual thinking by constantly questioning or challenging employees' thought processes, ultimately leading to employees' involvement in idea generation and implementation of the ideas [39]. Intellectually stimulating leaders can inspire and motivate employees because they encourage employees to develop themselves, find solutions to problems in new ways, and become better at the job [40][41].

2.2. Organizational Identification

Organizational identification is an employee's sense of identity in relation to the organization to which he or she belongs [42][43]. Based on social identity theory, organizational identification is a sense of belongingness and emotional attachment to the organization [44]. Social identity theory posits that an individual's self-perception is built based on his/her identification with the group he/she belongs to [10][36][45]. Organizational identification, which is a psychological connection between an organization and its employees, is likely to affect the employees' behavior. When employees identify themselves in association with the organization, they are likely to be genuinely interested in the success of the organization, help coworkers, go extra miles for the customers, and follow the organization's policies and rules. The importance of organizational identification is more pronounced in the hospitality industry because employees play a critical role in delivering services and determining customers' experience with the organization [46][47].

2.3. Creativity

Creativity is defined as the ability to create something new with elements that already exist (i.e., ability to create meaningful new combinations) or the ability to generate new ideas for problem-solving [48][49]. Creativity is a unique ability that people have, and it entails a creative thinking process [50]. Afsar et al. [51] suggested that the best way to stimulate innovation in an organization is to promote creativity of its members. When employees share useful new ideas, it can bring about changes to products and services [37]. Therefore, leaders should value creative work and

support the culture where innovation is appreciated [25]. Transformational leaders who value creativity will need to stimulate employees to come up with fresh ideas.

2.4. Task Performance

Employee task performance is directly related to the organization's performance and gives the organization a competitive advantage [52]. Task performance refers to the quality and quantity of work based on the job description [47]. Task performance is an essential precedent for achieving goals for the employees and the organization [53][54]. Employee task performance can be enhanced when employees perform the given task effectively and efficiently (speed and accuracy), which will have a direct impact on the organization's overall performance [9]. Thus, a high level of employee engagement is necessary to promote task-related performance, which ultimately leads to the organization's competitive advantage [55]. Leadership style has a significant impact on employees' task performance when the leader encourages employees to continuously develop their job skills and gain knowledge [56]. Employee task performance is found to increase when employees are encouraged to exercise their creative and innovative abilities [57][58].

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