Effect of Servant Leadership on Affective Commitment among Hotel Employees

Azeyan Awee, Wen-Yao Cheah, Ching-Ning Cheng, Kok-Sing Hong, Lih-Bing Ling, Mey-Chia Tan

Universiti Tunku Abdul Rahman

Abstract- Servant leadership is an issue of growing interest among scholars. Previous studies have shown that servant leadership has lead to positive behaviors which subsequently influence the individual-level outcomes. Therefore, underpinned by leader-member exchange theory (LMX) and social exchange theory, this study examined the effective of servant leadership on affective commitment among the hotel employee. Data were collected from a sample of 149 hotel employees working in Malaysia using convenience sampling. Statistical Analysis System (SAS) version 5.1 had been used in order to run the reliability analysis, frequency analysis, explaining the correlation coefficient analysis and test of hypothesized relationships among the dependent variable and the independent variables. The results of analysis confirmed that positive correlation exists between the empowerment, humility, stewardship, standing back, forgiveness, courage, accountability, authenticity and affective commitment. This study is believed to enhance the literature gap since not much research emphasize on servant leadership on Malaysian context.

I. INTRODUCTION

In Malaysia, hotel industry has been recognized as a promising industry. According to the United Nations World Tourism Organization (UNWTO), Malaysia was ranked at 10th in the World’s Top Tourist Destination in 2012 with 25 million of international tourists’ arrival. In addition, according to Tourism Malaysia, the tourists’ arrival and receipt to Malaysia had been consecutively increasing from 2004 to 2013. In 2013, Malaysia has the highest number of tourists’ arrival which is 25.72 million and receipt of RM65.44 billion. Furthermore, Tourism Malaysia also reported that average occupancy rates of hotels in Malaysia in 2012 had increased at a rate of 1.8 as compared to 2011 from 60.6 to 62.4.

Despite of all growth and promising prospect in hotel industry, yet Malaysia is facing of turnover crisis among the executives in different sectors. According to a study by Malaysian Employers Federation (MEF), average yearly turnover rate of executives from June 2010 to July 2011 in 143 companies from different sectors in Malaysia reported that in non-manufacturing industry, the highest turnover rate of executives was IT/Communication with a rate of 75.72%. Followed by the second highest turnover were Associations/Societies with a rate of 33%, and the third highest turnover was Hotel/Restaurant with a rate of 32.4%. Furthermore, another study conducted by AON Hewitt titled as “APAC Year on Year Attrition Rate (2009-2011)” reported that the staff turnover in Malaysia in 2011 was 15.9%. Among the 12 countries in the Asia Pacific, Malaysia was ranked at sixth in term of high staff turnover.

According to the findings from these 2 surveys, it shows clearly that major changes are required for Malaysian hotels to solve this increasingly staff turnover issue. From the past studies by researchers, organizational commitment has been proven by having important implications for employees and organizations. According to Bennett and Durkin (2000), they stated that absenteeism and turnover are the negative effects associated with an absence of employee commitment. In the service industry, successful firms have recognized the dominant factors that drive the firm’s profitability such as quality of service which significantly rely on employee commitment (Little & Dean, 2006).

Leadership style is one of the factors that affect organizational commitment. Organizational commitment can be enhanced by appropriate leadership styles (Drury, 2004; Lok & Crawford, 2004; Lee & Ahmad, 2009).

As a service provider, the core value that a hotel provides undeniably is the service it delivers to its customers. Therefore, providing excellent service is the key to corporate success in hotel industry. In order to deliver excellent service, it is vital to have well trained, motivated and committed employees on the frontline to ensure customer satisfaction. How to keep employees to be motivated, committed and loyal is a big challenge for every hotel manager. In this research, we are going to explore how servant leadership as demonstrated by hotel managers will influence the affective commitment of employees.

II. RESEARCH PROBLEM

In Malaysia, Malaysian companies are not only have to encounter with the turnover issue, but also have to confront low leadership quality issue. A trend research was conducted by Development Dimensions International (DDI) titled as “Lessons for Leaders from the People Who Matter” to explore and comprehend the persistence of low rating on leadership quality. This research was conducted among 1279 full time workers between August 31 and September 20, 2011 by partnering with Harris Interactive. These 1279 workers around the world from U.S., U.K., Canada, Australia, Germany, India, China, and South East Asia (includes Malaysia, Philippines, and Singapore). These workers were asked to say about their daily interactions with their leaders and how the employees view their leaders.

In our research, 3 findings were extracted from the trend research to explain the low leadership quality. The first finding reveals that workers are not confident in their bosses’ skills. From an employee’s point of view, the belief that his or her boss
is a skilled leader is worthy of respect and loyalty. Thus, this dim view of leader capability is predicted in resulting to turnover. 39% respondents said that they quit a job mainly because of their leader, while 55% said they have considered quitting a job because of their leader.

The second finding reveals that boss does more harm than good to the employees. Workers often feel hurt and demotivated by their boss’s action. In addition to this finding, only nearly half the bosses (54%) involve their employees in making decisions that affect the employee’s own, or the employee’s team work. Those decisions are decided by the boss without much explanation. 43% of the employees tell that their bosses very seldom to explain the rationale for their decisions.

The third finding reveals that leaders are lacking in fundamental leadership skills. There are a lot of leaders are ineffective in motivating and engaging their people. In other words, this indicates that leaders have poor day-to-day interactions with their team members. According to this finding, employees are not looking for their boss or leader to become their friend but they do expect courtesy, respect, honesty, and tact in their interactions. Nevertheless, a lot of leaders are not delivering on these basic requirements to establish a healthy manager/employee relationship.

Furthermore, there is another survey about relationship between employee and supervisor. According to the Business Wire (2013), there are three main factors that able to influence the employee engagement. These 3 main factors are relationship with immediate supervisor, belief in senior leadership and pride in working for their company respectively. The most impressive finding shows that employees have 80% chance to become disengaged if they are dissatisfied with their immediate supervisor. The statistics reinforces that there is very important to build the positive relationship with their leaders and upper management. Owning a caring manager is one of the factors to maintain the positive and successful employee engagement strategy.

In addressing the turnover issue and low leadership quality, we introduce servant leadership as a way to investigate the both issues encountered in Malaysia’s hotel industry. There are limited studies in exploring the relationship between servant leadership and organizational commitment (Drury, 2004; Hill, 2008; Hoveida, Salari & Asemi, 2011 as cited in Lim & Desa, 2013). According to Lim and Desa (2013), the studies of servant leadership and organizational commitment were mostly discussed in Western context. In addition, they pointed out that there were limited studies had been conducted in Malaysia as well. From the suggestions as proposed by Liden, Wayne, Zhao & Handerson (2008), they deemed that it might be beneficial for examining servant leadership in other countries beyond in United States.

By acknowledging this gap, we conduct this research with a hope to explore the effect of servant leadership of hotel manager on the employees’ affective commitment as well as improve the current issue of turnover and leadership quality. Furthermore, it also helps to contribute to the current pursuit of empirical exploration of servant leadership by examining its relationship with affective commitment.

III. RESEARCH OBJECTIVE

In order to assist Malaysian government to transform Malaysia from middle-income nation to high-income nation by 2020, there is need to improve and strengthen all Malaysian sectors including hospitality and services industry performance and reputation. Thus, it is very crucial for leaders in each industries to understand leadership quality to manage entire organization in more effective and efficient way. Hopeful to this, all leaders able to lead all their employees in achieving company’s mission and objectives to fulfill the demand of competitive world. Therefore, the objective of this paper is to examine and understand the relationship between servant leadership style and affective commitment among hotel employees.

IV. LITERATURE REVIEW

SERVANT LEADERSHIP

According to Schneider and George study as cited in Greenleaf (1997), defined servant leaders who are put their member’s needs, interests and others as priority than themselves. Servant leadership is leadership styles that provide the organization opportunities in order to help the followers to grow. Servant leadership is concerned to serve the followers and makes sure that follower achieving their personal well-being and grows. On the other hand, other leadership focuses on the organization goal and objectives and less focuses on the needs of employees in the organization. Servant leadership theory is more concern the needs of followers than any other leadership theory. According to Mayer, Bardes & Piccolo (2008) stated that employee performance will increase when they view their managers as servant leader. Servant leader willing invests time and energy in order to understand the needs of individual and work together to satisfy individual needs. Harrison, Newman & Roth (2006) stated that foundation of servant leaders is serve others and helping them to grow, and not established on the traditional power model of leadership. Graham (1991) confirms that a servant leader would focus the needs of followers first, the organization’s goals become the second and their needs placed the last. Franke & Park (2006) stated through the servant leadership effort will increase loyalty to the organization due to the reduced intensities of work anxiety and greater degrees of job satisfactions.

AFFECTIVE COMMITMENT

Organizational commitment is an issue of great significance to an organization because it is related with an employee’s eagerness to go above and beyond the job requirements while performing his or her duties. Besides that, it also indicates the desire of an employee to maintain and continue his or her membership with an organization. According to Meyer and Allen (1991), they came out with a new model of commitment after they had reviewed the theories and researches on organizational commitment. They are further named their new model as the “Three-component model of organizational commitment”. Their model consists of affective commitment, continuance commitment, and normative commitment. A conclusion made by Meyer and Allen indicated that commitment

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was a psychological state with these 3 components. These 3 components reflect a person’s desire, a need, and an obligation to preserve his or her employment within an organization.

According to them, affective commitment was defined as an employee’s emotional attachment to, identification with, and involvement in a company’s activities. Strong affective commitment as displayed by the employees would tend to continue to stay in the company because they have a positive attitude toward the company’s goals and values. Such a positive commitment is resulted due to the emotional attachment of the employees. Thus, employees are devoted and loyal to the employer. In addition, these employees are more likely to go for an extra mile for the company.

SERVANT LEADERSHIP AND AFFECTIVE COMMITMENT

Positive relationship was found and proved from various empirical studies related to servant leadership and organizational commitment (Liden et al., 2008). According to Liden et al. (2008), with an organizational sample of 182 individuals, servant leadership was reported as a significant predictor of followers’ organizational commitment, community citizenship behavior, and in-role performance. Similarly, a study by West and Bocarnea (2008) found out servant leadership, affective organizational commitment and job satisfaction were significant and positive correlated. In addition, a study conducted by Jaramillo et al. (2009) in 501 full time sales people revealed that servant leadership was correlated to person organization fit, organizational commitment and turnover intention. This study demonstrated that effects of servant leadership lead to positive behaviors which subsequently influence the individual-level outcomes. Leader member exchange (LMX) is a theory aims in explaining the nature of relationship between a leader and his or her followers. LMX indicates how such relationship affects the leadership process. According to Sparrowe and Liden (1997), the quality of the member’s exchange relationship with the leader depends on the degree of emotional support and exchange of valued resources. This is very crucial in determining a member’s fate in an organization. Masterson, Lewis, Goldman & Taylor (2000) describes LMX is a social exchange relationship between a manager or supervisor and an employee.

In practical, a leader is unlikely to treat all followers on an equal basis. Therefore, the relationship between a leader and every single follower will be different. Subsequently, ranging of high to low quality among their relationship will be resulted (Dienesch and Liden 1986; Liden and Graen, 1980). According to Dienesch et al. (1986), a high quality relationship is described by high level of trust, interaction, support, formal and also informal rewards. Therefore, a follower could then receive greater attention from his or her leader and also benefits as well. In comparison, a low quality relationship is described by task orientation and mistrust. Therefore, a follower is reportedly received less attention or benefits from his or her leader.

However, the theory social exchange posits that employees tend to be more effective in a high quality LMX relationship (Sparrowe et al., 1997). A major principle of social exchange theory explains this process is called as the norm of reciprocity. Positive norm of reciprocity suggests that people who are being treated well by others will have a sense of obligation to respond positively or favorably in return (Blau, 1964; Gouldner, 1960 as cited in Walumbwa, Mayer, Wang, Workman, & Christensen, 2011). Thus, in a workplace where high quality LMX exists, subordinates would tend to pay back by exerting more effort to their leader (Wayne & Green, 1993 as cited in Walumbwa et al., 2011).

Empirically, there are several studies have been proven that employees will reciprocate their employers through adjusting their perceived obligations when their employer had fulfilled their promises to the employees (Coyle-Shapiro & Kessler, 2002; Robinson, 1996; Robinson & Morrison, 1995). On the other hand, several studies also found that LMX was positively correlated with job performance (Bauer, Erdogan, Liden, & Wayne, 2006; Walumbwa, Cropanzano, & Hartnell, 2009).

There are the reasons we believe that servant leadership could facilitate the establishment of high quality. This is because LMX, in turn, could positively contribute to followers’ job performance. Besides, servant leadership is a theory that advocates serving and meeting the needs of others from the role and motivation of a leader. In addition, servant leaders also help to develop people, helping followers to strive and flourish (Russell & Stone, 2002, McMinn, 2001).

CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

Based on the discussions presented in the literature review, the paper proposed a conceptual framework on the relationship between servant leadership and affective commitment in the context of hotel employees’ in Malaysia. From the review of the literature, it is suggested that servant leadership will affect affective commitment. Further to this, the current paper also encapsulate that servant leadership can be measured based on several dimensions such empowerment, humility, standing back, authencity, forgiveness, courage, accountability and stewardship has influences over affective commitment. The research framework is well-constructed and presented in Figure 1.
Figure 1: The proposed Conceptual Framework For The Study

On the basis of the literature arguments above, we believe that when leaders demonstrate the servant behavior or characteristics, they could influence their followers’ affective commitment. Accordingly, researchers propose that:

**Hypothesis 1**: There is a significant relationship between servant leadership and affective commitment.

V. RESEARCH METHODOLOGY

**MEASUREMENT:**

Servant leadership was assessed using a 34-item scale developed by Van Dierendonck, D., & Nuijten, (2010) and Barbuto, J.E., & Wheeler, D.W. (2002). This scale measures several characteristics of servant leaderships which is empowerment, humility, standing back, authenticity, forgiveness, courage, accountability and stewardship with a ratings scale of five-point likert scale (1=Strongly Disagree to 5=Strongly Agree). A eight-item scale was used to measure affective commitment, which was adapted from Meyer and Allen (1997). Hence, the eight items were anchored by a five-point likert scale with one representing strongly disagree and five representing strongly agree.

**DATA COLLECTION**

Data were collected from a convenience sample of 400 employees working at hotels in Perak, Malaysia. A web-based questionnaire survey was used because this medium assured the respondents of their anonymity and confidentiality of responses when providing information. All responses were saved directly in a database when respondents clicked the submit button. By responding to the survey link, the respondents indicated their agreement to participate in the survey.

**STATISTICAL ANALYSIS**

Data were analyzed by using Statistical Analysis System (SAS) version 5.1. The data analysis section consists of four subsections. The first section was descriptive analysis which includes the frequency and percentage of sample characteristics. Secondly, reliability test was conducted by using the Cronbach’s Alpha’s coefficient to evaluate the internal consistency reliability of the items within the constructs. Apart from this, the Pearson correlation coefficients were used to examine the relationships between servant leadership and affective commitment. Lastly, the multiple regression analysis was employed to examine impacts of one or more independent variables to one dependent variables.

**DATA ANALYSIS**

**FREQUENCY AND DESCRIPTIVE DATA**

Out of 400 respondents, total of 267 (66.75%) were female respondents and the majority of respondents have less than 2 years working experience (n=124, 46.5%). Besides to this, the largest number of respondents was Malays ethnicity (n=150, 37.5%). This was followed by Malay Chinese ethnicity (n=127, 31.75%) and Indian ethnicity (n=46, 11.5%). The educational qualifications of participants were varied: Advanced Diploma (21.75%), Diploma (45%), Bachelor Degree (32.75%) and Master Degree (0.5%). The distribution percentage of the respondents according to age group were 58.75% of the respondents were less than 30 years old, 10% were 41-50, 15.75% were 31-40 years old and 7.25% were more than 50 years old.

**RELIABILITY TEST**

Table 1 depicts the reliability levels of servant leadership and affective commitment. According to the result, it showed the Cronbach’s alpha value of each variable are more than 0.60. Affective commitment (dependent variable) which constructed with 8 items shows the coefficient alpha at 0.751. In contrast, all the eight independent variables also show the good situation in the level of internal consistency respectively. Sekaran (2003) stated that a scale alpha value greater than 0.7 is considered good reliable. In conclusion, the general reliability of all variables in the study is acceptable due to all variables have more than 0.60 Cronbach’s coefficient alpha.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable (DV)</td>
<td>Affective Commitment</td>
<td>8</td>
</tr>
<tr>
<td>Empowerment</td>
<td>7</td>
<td>0.723107</td>
</tr>
<tr>
<td>Standing back</td>
<td>3</td>
<td>0.652541</td>
</tr>
</tbody>
</table>
INFERENTIAL ANALYSIS
PEARSON CORRELATION COEFFICIENT:

The table 3 has indicated that the servant leadership (SL) is significantly related with affective commitment (AC). The significant values for all variables indicated less than p-value 0.05. Result shows that there is moderate positive correlation between empowerment ($r = 0.511$), stewardship ($r = 0.527$), accountability ($r = 0.530$), standing back ($r = 0.465$), courage ($r = 0.656$) and authenticity ($0.437$) with AC. However, there is a small but definite relationship between humility ($r = 0.213$) and forgiveness ($r = 0.305$) with AC. Thus, all hypotheses were fully supported. The increase of SL will subsequently enhance affective commitment among employees.

Table 3 : Correlation between Factors Scores of Servant Leadership and Affective Commitment

<table>
<thead>
<tr>
<th>Affective Commitment</th>
<th>Empowerment</th>
<th>Humility</th>
<th>Stewardship</th>
<th>Accountability</th>
<th>Forgiveness</th>
<th>Standing Back</th>
<th>Courage</th>
<th>Authenticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>0.511</td>
<td>0.213</td>
<td>0.527</td>
<td>0.530</td>
<td>0.305</td>
<td>0.465</td>
<td>0.656</td>
<td>0.437</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td>0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
</tr>
<tr>
<td>N</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
</tbody>
</table>

MULTIPLE LINEAR REGRESSION ANALYSIS

Table 4 : Analysis of Variance

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Value</th>
<th>Pr &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>8</td>
<td>42.69184</td>
<td>5.33648</td>
<td>62.76</td>
<td>&lt; 0.0001</td>
</tr>
<tr>
<td>Error</td>
<td>391</td>
<td>33.24425</td>
<td>0.08502</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>399</td>
<td>75.93609</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According the result of Table 4, p-value (< 0.0001) is less than alpha value 0.01. The F-statistic is significant. The model for this study is a good descriptor of the relation between the dependent and predictor variables. Thus, the independent variables (empowerment, humility, stewardship, accountability, forgiveness, standing back, courage, and authenticity) are significant explain that variance in affective commitment. The alternate hypothesis is supported by the data.

Table 5 : Model of Summary of R Square

<table>
<thead>
<tr>
<th>Root MSE</th>
<th>0.29159</th>
<th>R-Square</th>
<th>0.5622</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Mean</td>
<td>3.90438</td>
<td>Adjusted R-square</td>
<td>0.5533</td>
</tr>
<tr>
<td>Coefficient Variables</td>
<td>7.46824</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bases on Table 5, R square shows the percentage of the independent variables to illuminate dependent variable's variations. Independent variables (empowerment, humility, stewardship, accountability, forgiveness, standing back, courage, and authenticity) can explain 56.22% of the variations in dependent variable (affective commitment) in this study. Nevertheless, 43.78% (100% - 56.22%) is left over which is unexplained in this research which means other important additional variables in explaining affective commitment that have not been considered in this research.
VI. DISCUSSION

The result of the current study has indicated that servant leadership influence affective commitment among the hotel employees. Thus, hypothesis 1 is supported in this study. The above hypothesis 1 is proved and supported by previous researchers and studies such as Van Dierendonck and Nuijten (2011) and Bobbio, Van Dierendonck, & Manganelli (2012). In their studies, similar 8 dimensions of servant leadership were used. According to Van Dierendonck et al., (2011), the 8 dimensions to organizational commitment, performance, and leadership clarity studies relating to their evidence for criterion-related validity came. According to their study, the general verifying factor analyses across different samples support the predicted 8-factor structure and inter-connectedness of the dimensions. Meanwhile, a study conducted by Bobbio et al., (2012) in Italy context, servant leadership is significantly and positively correlated to leadership integrity, organizational commitment and organizational citizenship behavior while it is negatively correlated to cynicisms.

IMPLICATIONS:

The importance of servant leadership on organizations’ performance in Malaysia cannot be over-emphasized. In particular, the efficacy of this organization might be difficult to achieve without the correct leadership style. Thus, this study was an attempt to explore the perspective often neglected in research setting but yet investigating an important aspect of leadership styles – servant leadership. Therefore, the findings of this empirical study are expected to provide fruitful implications to both practitioners and academicians. On the practitioners’ side, important influential role of servant leadership towards employees’ commitment is highlighted. It is important to know the ways to increase the employee commitment and now it is increasingly gaining importance among the practitioners and consultants in the region of the world. They may benefit from the feedback of this study and could implement relevant strategies for particular industry’s commitment plans to assure their competitiveness.

Second, the findings of this study also provide some support to leader-member exchange theory (LMX) and social exchange theory. The present study found that the impact of servant leadership leads towards positive behavior. In addition, this study adds to the body of knowledge by systematically explore the effect of servant leadership on employees’ commitment in organization. In particular, the current study findings provide tentative support to the proposition that servant leadership should be recognized as significant antecedent to foster commitment among employees.

VII. LIMITATION AND SUGGESTIONS

The present study has several limitations. First, the non-probability sampling technique was used in this study to distribute the survey questionnaire to respondents. Although this sampling technique is suitable for gathering responses on important issue such leadership styles, it limits the ability to generalize the study findings. Therefore, future research is encouraged to use probability sampling technique, especially when population comes from a same organization, to increase generalizability of the findings.

Second, The result of R square in this research indicated that independent variables (empowerment, humility, stewardship, accountability, forgiveness, standing back, courage, and authenticity) can only explain 56.22% of the variations in dependent variable (affective commitment). Therefore, there is still lacking of 43.78% (100% - 56.22%) which has not been explained and explored in this research. Hence, future studies can also extend the current study conceptual framework by studying the effects of a larger set of variables. Above and beyond, this will immeasurably contribute new knowledge to the existing body of servant leadership literature on certain organizations in developing countries which happen to be overlooked in research contexts in academics.

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AUTHORS

First Author – Azeyan Awee, Universiti Tunku Abdul Rahman
azeyan@utar.edu.my