

# **The Relationship between of Leadership Styles and Internal Service Quality at Taiwan's International Tourism Hotels**

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## **ABSTRACT**

Business enterprises need to enhance competitiveness by improving internal staff quality when facing a competitive environment. Gatewood (2001) suggested that experience and personal characteristics only partially account for the difference in work performance. Leadership style, have more influence on individual behavior than personal characteristics. This research develops an appropriate approach to internal service quality at international tourism hotels, and discusses influences from leadership styles on the internal service quality. Through 468 surveys of 20 international tourist hotels in Taiwan, we found that transformational leadership exert the greatest influence upon internal service quality.

**Key words:** Leadership, Internal Service Quality, Hospitality Service

## **Introduction**

The hotel service personnel act as a bridge between hotel guests and the hotel itself. They provide customized high-quality service and are multifunctional hotel professionals, such as concierge, guest, laundry and housekeeping services, which is conducive to improving the refinement of the hotel's services and its attractiveness to hotel guests (Kuo, Chang, Chen, and Hsu, 2012). Scholars believe that business enterprises need to enhance competitiveness by improving internal staff quality when facing a competitive environment. Frederick and Mukesh (2001) posited that internal service quality is based on establishing an internal environment of supportive consciousness among employees. The employee is an internal customer. The support staff, including management and other support people, provides internal service. Good internal service quality contributes to external customer service (Large and König, 2009).

Gatewood (2001) suggested that experience and personal characteristics only partially account for the difference in work performance, particularly when the organization has clear goals and an established structure or there is a definite organizational requirement for individual behavior under specific conditions. Leadership style, have more influence on individual behavior than personal characteristics. This research develops an appropriate approach to internal service quality at international tourism hotels, and discusses influences from leadership styles on the internal service quality.

## **Literature review**

### *Internal service quality*

Stauss (1995) defined internal service as services provided to units or individuals within the organization. Boshoff and Mels (1995) argued that every employee and unit is both a service provider and utilizer and that internal service quality greatly impacts the service quality to external customers. Frederick and Mukesh (2001) defined internal service quality as an internal environment based on a supportive consciousness among employees in which customers are internal employees and the support staff includes management and other support service providers. They designed INTSERVQUAL, an internal service quality measurement scale based on the "gap model" to successfully measure the difference between internal customers' understanding and expectation from frontline service staff to

support service and, consequently, to recognize key factors influencing internal service quality among employees. Internal service quality includes tangibles, reliability, assurance, responsiveness and empathy. Tangibles refer to service tools, for example, facilities. Reliability is the ability to carry out the promised service reliably and correctly. Assurance refers to the fact that the provided service makes colleagues feel confident in being equipped with the required knowledge and courtesy. Responsiveness refers to an employee reacting swiftly to colleagues' demands and providing sincere and timely service. Empathy refers to understanding demand and providing convenient service to colleagues with communications catered to their needs.

### *Transformative leadership style*

Transformative leadership theory argues that leaders can encourage subordinates to outperform supervisors' expectations and increase organizational efficiency by developing closer relationships with them, assigning challenging tasks, encouraging individual career development and evoking higher-level beliefs, attitudes and values (Vigoda-Gadot, 2006). Scholars have discovered that transformative leadership behaviors, such as encouraging higher level aspirations, caring about subordinates and encouraging subordinates' personal development, have a positive effect on employee attitude and motivate employees to actively offer service and help to colleagues to achieve organizational goals in the hotel industry (Lee, Kim, Son, and Lee, 2011; Patiar and Mia, 2009). Therefore, the following is proposed as hypothesis 1: The transformative leadership style of Taiwan's international tourism hotels influences the internal service quality.

### *Charismatic leadership style*

Charismatic leadership theory posits that leaders can turn the subordinate's personal identification with the leader's behavior into an internal belief, generating an incentive mechanism that influences subordinates' behavior and attitude toward work (Hoogh, Hartog, Koopman, Thierry, Berg, Weide, and Wilderom, 2005). Hoogh et al. (2005) found that charismatic supervisors has a positive impact on work attitudes and increases an organization's or team's success, leading to cooperative behaviors that are in the organization's best interests. Therefore, the following is proposed as hypothesis 2: The charismatic leadership style of Taiwan's international tourism hotels influences the internal service quality.

### *Transactional leadership style*

Transactional leadership theory argues that leaders communicate with subordinates to set clear goals and that the relationship between performance and remuneration provides feedback to stimulate them to achieve the goals (Bass, 1985). MacKenzie, Podsakoff, and Rich (2001) illustrated how transactional leadership based on exchange has less influence on employee behaviors, such as assisting colleagues and offering help, that fall beyond the organization's regulations but are in the organization's interest. However, scholars have given explanations from the social exchange view that hotel employees will take action that is outside an organization's regulations but in its interests if they are aware that the organization or supervisor will reward them satisfactorily with an award or monetary compensation (Chiang and Birtch, 2011; Ma and Qu, 2011). Therefore, the following is proposed as hypothesis 3: The transactional leadership style of Taiwan's international tourism hotels influences the internal service quality.

## **Research design**

This study used a questionnaire investigation method to discuss the relationship between leadership styles and internal service quality. A leadership style scale according to Bruce, Bernard, and Dong (1999), and an internal service quality scale according to Frederick and Mukesh (2001). This research took international tourist hotels in Taiwan as potential participants. After contacting these hotels, 20 hotels agreed to participate in this research. A total of 600 copies of the study questionnaire were distributed to hotel personnel who provided professional services for travelers (including front desk, housekeeping, concierge, and restaurant employees) in May 2012. In September 2012, 468 valid questionnaires were recovered, for a recovery rate of valid questionnaires of 78%. Through correlation analysis, variable analysis, and regression analysis, this research tried to know the relation between leadership style and internal service quality and check the appropriateness of the research structure and hypotheses.

## **Results**

### *Sample*

The proportions of female respondents were 62%. Respondents were mainly aged between 20 and 35 (61%), had a university education (48.2%), and were single

(69%). Most of them had a monthly income of NT\$25,000~45,000 (58.4%).

### *Data analysis*

The average values of all research constructs are between 3.59 and 3.96, with standard deviations between .50 and .70. “Transformative leadership” has the highest average score and “Transactional leadership” the lowest average score among the leadership style items. “Empathy” has the highest average score and “Reliability” has the lowest average score in the internal service quality section.

### *Correlation analysis*

Correlation analysis result shows that transformational, charismatic, and transactional leadership styles were positively related to the constructs of internal service quality, except the “Reliability” and “Responsiveness” in internal service quality.

### *Hypothesis testing*

Through analysis of variance, this research found that no demographic information significantly influence internal service quality, therefore, these variables were not controlled for in regression analysis to determine the power of leadership style to explain internal service quality.

This study performs a simultaneous regression analysis by using the constructs of internal service quality as a dependent variable with transformational, charismatic, and transactional leadership styles as independent variables. The results show that only the relationships among “Assurance” and three leadership styles are not significant. “Transformative leadership” had a high degree of explanatory power for “Responsiveness” and “Empathy”. This indicates that the employees tended to increase perception of internal employees responding to a colleague’s demand quickly, understanding each other’s demands and caring about each other, and adjusting communications with different colleagues to provide convenient services if the employees perceive that supervisors provide a clear vision and mission, utilize their influence to convert internal attitudes and encourage subordinates to put aside self-interest and make concerted efforts in the interests of the hotel. “Charismatic leadership” had a high degree of explanatory power for “Reliability” and “Responsiveness”. This indicates that the employees perceive that internal employees cannot carry out the promised service reliably and correctly and respond to a colleague’s demand quickly if employees categorize hotel supervisor behavior as heroic or as a great leader. “Transactional leadership” had a high degree of

explanatory power for “Tangibles” and “Reliability”. This indicates the employees perceive that the hotel provides related facilities beneficial and necessary to providing a good quality of service and internal employees carry out the promised service reliably and correctly if the hotel supervisor establishes criteria for awards and reward employees with good performance.

## **Conclusion**

Through correlation and regression analysis, this research finds that transformational, charismatic, and transactional leadership styles greatly influence internal service quality. Therefore, this research supports all three hypotheses.

This research finds that transformational leadership exert the greatest influence upon internal service quality, and it shows that the degree of internal service quality for internal customers will be higher if the employees perceive that supervisors provide a clear vision and mission, utilize their influence to convert internal attitudes and encourage subordinates to put aside self-interest and make concerted efforts in the interests of the hotel. Lee, Kim, Son, and Lee (2011) and Patiar and Mia (2009) also found that transformational leadership positively influences employees’ behavior to provide service and assistance to colleagues. This indicates that hotel management creates a clear understanding of the mission and vision through communications and authorized means to encourage employees to develop innovative ideas and beneficial behaviors toward internal service that target the hotel’ s overall interest.

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