Transformational Leadership Increases Self-Determination and Positively Impacts Hospitality Frontline Employees

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TRANSFORMATIONAL LEADERSHIP INCREASES SELF-DETERMINATION AND
POSITIVELY IMPACTS HOSPITALITY FRONTLINE
EMPLOYEES’ WELL-BEING

by

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Abstract

This professional paper presents literature by exploring the role of self-determination theory between the relationship of transformational leadership and hospitality employees’ well-being. It integrates the present research on leadership style, needs theory and well-being and provides useful and meaningful information for executives and organizations who are dedicated to improve employees’ well-being.
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Part One

Introduction

Healthy life style is a major trend in the 21st century, and in the workplace this topic is translated to employees’ well-being. “Well-being is the catalyst companies need to cultivate engaged, thriving employees who perform at their best every day” (Heifetz & Wood, 2015, para. 2). What organizations can do to improve employees’ well-being depends, in part, on the style of leadership that is encouraged and this style influences the level of self-determination an employee perceives.

Employee burnout and turnover rate have been under the spotlight of work force research in all industries. Turnover has been a major problems in the hospitality industry (AlBattat, Som, & Helalat, 2013). According to data from the Bureau of Labor Statistics’ Job Openings and Labor Turnover program, the hospitality industry’s employee turnover rate rose for the fourth consecutive year in 2014. It went up from 56.6 percent in 2010 to 66.3 percent in 2014, while the average turnover rate for all private sector workers stood at 44.4 percent in 2014 (National Restaurant Association [NRA], 2015).

As reported by Hospitality Risk Solution (HRS, 2012), high employee turnover continues to impede hospitality firms’ competitiveness and brand consistency; the average hoteliers turnover expenses are 45% of operating expenses; and companies with high employee turnover rate find it hard to develop brand loyalty due to employees are likely to deliver inconsistent customer service experience.

Because of hospitality industry’s high dependency on human resources and high cost of labor turnover, employees’ well-being requires hospitality management’s attention.
Purpose

In a study conducted by Kovjanic, Schun, Jonas, Quaquebeke, and Dick (2012), transformational leadership was positively linked to need satisfaction, and need satisfaction was then positively linked to job satisfaction, self-efficacy, and affective commitment. A multilevel analysis in 16 nations carried out in 2014 by Zwingmann et al. concluded that employees led by transformational leader have better health than those who have a laissez-faire leader. Moreover, increased identification, self-efficacy, the meaningfulness of work, social support and role clarity could be expected as effects of transformational leadership, thus, in turn, should be beneficial to employees’ health (Zwingmann et al., 2014).

This study is important because it addresses a gap in the literature related to the role of self-determination in the relationship between transformational leadership and employees’ well-being. The paper raises two propositions:

Proposition 1: Transformational leadership will have positive impact on the self-determination of hospitality frontline employees.

Proposition 2: Higher levels of self-determination (autonomy, competence, and relatedness) will have positive impact on the well-being of hospitality frontline employees.

Theoretical And Conceptual Framework

As summarized in the Essentials of Organizational Behavior by Robbins and Judge (2013, p. 188), “transformational leaders inspire followers to transcend their self-interests for the good of the organization and can have an extraordinary effect on their followers”. It comprises
four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Robbins & Judge, 2013).

Based on Johnson’s (1999) literature review, self-determination refers to individual knowing and valuing himself/herself and taking initiatives to achieve the goals individual defines for himself/herself; it emphasis on individual’s attitude, sense of choice and taking control that are free from external influences. Ryan and Deci (2000) said that people's inherent growth tendencies and innate psychological needs are the basis for their self-motivation, personality integration and behavioral self-regulation. Self-determination theory identified three universal needs: needs for competence, relatedness and autonomy, and these three needs “appear to be essential for facilitating optimal functioning of the natural propensities for growth and integration, as well as for constructive social development and personal well-being” (Ryan & Deci, 2000, p.68).

“Well-being is the subjective state of being healthy, happy, contented, comfortable and satisfied with one’s quality of life. It includes physical, material, social, emotional (‘happy’), and development & activity dimensions” (Waddell & Burton, 2006, p.4). It encompassed World Health Organization’s definition of health: “A state of complete physical, mental and social well-being, and not merely the absence of disease” (Burton, 2010, p.15).

Service employees perform in a dynamic environment with a lot of uncertainty and that is particularly susceptible to stress and antecedents of burnout. Employee emotional exhaustion and burnout are costly to hospitality organizations and individuals because it can lead to depersonalization, detachment, decreased service quality and job performance, and increased turnover (O’Neill & Xiao, 2010).
Statement of Problem

The paper shows transformational leadership could have a positive impact on employee perceptions of autonomy, competence, and relatedness (the three factors of self-determination), and thus have a favorable effect on employee well-being. Although there has not been much research on these direct relationships, the propositions in this paper, if tested, could be useful in reducing hospitality frontline employees’ burnout and turnover intentions and improving service quality and consistency in the hospitality industry.

Limitations and Future Directions

First of all, leadership style is but not the only factor that affects employees’ perceived self-determination and well-being, many other Human Resource practices could affect employees’ perceived self-determination and well-being as well.

Second, this paper only looks into one of many ways to improve employee’s wellbeing and this wellbeing focuses on employees’ emotional wellbeing instead of the whole scope of wellbeing.

Third, hospitality industry is not only a long-operating-hour industry, but also an industry with multi-cultural and multi-generational work force serving multi-cultural and multi-generational customers. These features make it more challenging for management to improve employees’ well-being and for academia to study leadership style, self-determination in hospitality industry. Existing researches and studies have been done across the world, due to cultural differences, the results could vary from region to region.

Lastly, this study is conceptual in nature and relies heavily on current and past literature. The study does offer two testable propositions; there are many more that could extend this
research. For example, the current study could be developed into a full-length conceptual research paper. Future studies could also focus on testing these propositions along with addition hypotheses within the hospitality context.

**Summary**

This paper makes an important contribution to present literature by exploring the role of self-determination theory between the relationship of transformational leadership and hospitality employees’ well-being. It integrates the present research on leadership style, needs theory and well-being and will provide useful and meaningful information for executives and organizations who are dedicated to improve employees’ well-being.

**Definitions**

**Employee Turnover** is a measurement of the employee replacement frequency, it is the number of employees who are replaced by new employees within the department or organization or the percentage of replaced employees divide by total employees.

**Presenteeism** is a loss of workplace productivity caused by sick employees who physically present at work but physical or emotional issues prevent them from fully functioning (Widera, Chang, & Chen, 2010).

**Quality of Work Life** focuses on workplace’s impact on individual’s satisfaction of work life, non-work life and overall life (Kara, Uysal, Sirgy, & Lee, 2013).

**Emotional Labor** “refers to the process by which workers are expected to manage their feelings in accordance with organizationally defined rules and guidelines” (Wharton, 2009, p. 147).
**Strategic Vision** is the summary of top management’s view and conclusion about the company’s long-term direction and the optimal product-market-customer mix for the future (Thompson, Peteraf, Gamble & Strickland, 2014).

**Mission Statement** interprets organization’s present business and objectives, and it answers organizational questions such as “who we are, what we do and why we are here?” (Thompson et al, 2014, p. 24)

**Organizational Climate** is a set of measurable workplace attributes that directly or indirectly perceived by employees with the organization and influence its employees’ motivation and behavior (Al-Shammari, 1992).

**Organizational Commitment** “represents a crucial individual evaluation of how attached an employee is to his or her employing organization and represents an important determinant of employee retention” (Bull Schaefer, Green, Saxena, Weiss, & MacDermid Wadsworth, 2013, p. 261).
Part Two

Introduction

Employee wellbeing has gained increased governmental attention (Bryson, Forth, & Stokes, 2014). To an employer, what is a healthy employee worth? The common answer is savings in medical costs, improved performance at work, lower absenteeism, lower rates of job injury, and the increased profit as the leading result. Wendy Lynch (2002), PhD, and executive director of The Health as Human Capital Foundation, added “the notion of human capital -- the many abilities and resources the employee brings to the organization, including skills, abilities, experience, and attitude” (Ananth, 2009, p. 175). Consequently, it is important for business organizations to promote and improve employees’ well-being.

Scholars have discussed leadership style and employees’ well-being (Kara et al., 2013), transformational versus transactional leadership (Dai, Y-D., Dai, Y-Y., Chen, & Wu, 2013), leadership and self-determination (Johnson, 1999), transformational leadership and employee health (Zwingmann et al., 2014), and employee well-being and business success (Cook, 2014), work stress and well-being (O’Neill & Davis, 2011), customer satisfaction with employee satisfaction (Spinelli & Canavos, 2000).

In addition, studies have been conducted and linked transformational leadership and positive employee outcome (Kovjanic, Schun, Jonas, Quaquebeke, & Dick, 2012), such as well-being (Nielsen, Yarker, Randall, & Munir, 2009), creativity (Shin & Zhou, 2003) and task performance (Piccolo & Colquitt, 2006), and mitigating stress and burnout (Gill, Flaschner, & Shachar, 2006).

Even though a lot of work on leadership style, self-determination theory and wellbeing has been conducted respectively from different aspects in the past, the role of self-determination
theory in linking transformational leadership and employees’ well-being still needs future investigation. This paper will highlight the role of that transformational leadership plays in self-determination and employee well-being in hospitality industry. Specifically, this study explores how transformational leadership could increase perceived self-determination and thus positively impact employees’ well-being, contributing both to improving work performance and to strengthening the firm’s competitive advantage, from hospitality frontline employees’ perspective.

This literature review starts with identifying transformational leadership, self-determination theory, and employees’ well-being. Then it reviews literatures on hospitality frontline employees’ characteristics and working environment and ends with researches that have attempted to discover the impact of employees’ well-being on business.

**Transformational Leadership**

Leadership style has been seen as an efficient tool for organizational success (Yukl, 2010). Kozak and Uca (2008) implied that proper use of leadership style could enhance positive relationship with employees, improve the organizational climate, and improve service performance. Motivating employees and maximizing their potential is a key for hospitality firms to succeed (Kara et al., 2013). “Hospitality firms should embrace the importance of leadership and apply its principle to enhance organizational well-being” (Kara et al., 2013, p. 9). Employee burnout, turnover, absenteeism, low performance, and customer dissatisfaction are the negative consequences of leadership failure and can be extremely costly to hospitality firms’ success (Lim & Boger, 2005).
“Leadership is the ability to influence a group toward the achievement of a vision or set of goals” (Robbins & Judge, 2013, p. 178). Transformational leadership theory is one of the most dominant leadership models (Judge & Piccolo, 2004), and has received vast attention (Bass, 1985; Burns, 1978; Kovjanic et al., 2012). The transformational leadership style is “the process through which leaders and followers help each other to advance to a higher level of morality and motivation” (Burns, 1978, p. 21) and “a transformational leader is a morally mature leader who motivates followers’ behaviors and attitudes to generate higher levels of moral reasoning in followers” (Burns, 1978; Yasin Ghadi, Fernando, & Caputi 2013, p. 532).

Bass and Avolio (2005) also defined transformational leadership as “a process of influencing in which leaders change their associates’ awareness of what is important, and move them to see themselves and the opportunities and challenges of their environment in a new way” (Kara et al., 2013, p. 10). Transformational leaders “motivate their followers to perform beyond expectations by activating followers’ high level of needs, fostering a climate of trust, and inducing followers to sacrifice self-interest for the sake of the organization” (Bass, 1985; Dai et al., 2013, p. 762). In contrast, Bass and Avolio also (2005) also indicated “transactional leaders engaged in behaviors associated with constructive style management (contingent reward) and corrective style management (management by exception)” (Kara et al., 2013, p. 10). Based on Bass’s finding (Avolio & Bass, 2004; Bass, 1985; Bass & Avolio, 1990), the following four dimensions have been conceptualized for transformational leadership.

**Idealized Influence**

Idealized influence refers to “leaders who demonstrate high standard of moral and ethical conduct and who can be counted on to do the right things” (Rothfelder, Ottenbacher, &
Harrington, 2013, p. 204); and leaders who establish and “provides vision and sense of mission, instill pride, gains respect and trust” (Robbins & Judge, 2013, p. 188). Thus, “followers want to identify with and emulate their leaders” (Bass and Avolio, 1994; Rothfelder et al., 2013, p. 204).

**Inspirational Motivation**

Inspirational motivation refers to leaders who provide meaning, communicate high expectation, set challenging goals, use appealing symbols and simple language to focus efforts and express important purposes; and leaders who also demonstrate commitment to vision and mission and enhance team spirit (Robbins & Judge, 2013; Rothfelder et al., 2013). As a result, followers are motivated, inspired, committed and feel more confident to achieve their goals (Rothfelder et al., 2013).

**Intellectual Stimulation**

Intellectual stimulation refers to “leaders who stimulate followers to be innovative, creative and participate intellectually” (Rothfelder et al., 2013, p. 205) by increasing followers’ knowledge and encouraging them to look at the problem from different perspectives and develop new approaches to solve problems (Rothfelder et al., 2013); and leaders who “promote intelligence, rationality, and careful problem solving” (Robbins & Judge, 2013, p. 188). Consequently, “followers become more openly communicate their ideas, critical and effective in their problem-solving and more adept at responding to different needs and wants” (Rothfelder et al., 2013, p. 205).
**Individualized Consideration**

Individualized consideration refers to leaders who recognize and acknowledge followers’ differences and uniqueness, different needs and concerns and leaders who consider, value and support followers’ personal growth and development (Bass, 1997; Rothfelder et al., 2013); and leaders who provide personal attention, treat each follower individually, coach and offer advices and feedbacks (Robbins & Judge, 2013). As a result, followers feel “socio-emotional” supported by their leaders (Rothfelder et al., 2013, p. 205).

As such, transformational leadership style gain followers’ trust, admiration, loyalty and respect, and make followers feel their work and performance are important and valuable to the organization (Rust, Zeithaml, & Lemon, 2000), increase followers’ organizational commitment through trust (Dai et al., 2013), and motivate employees to behave in the way beneficial to the organization and perform beyond expectation (Bass, 1985). Accumulated research on leadership style has been consistent and showing that transformational leadership foster positive employee outcomes (Kovjanic et al., 2012) and mitigates stress and burnout (Gill et al., 2006). Also, “transformational leadership style influences followers’ attributes of work engagement” (Yasin Ghadi et al., 2013, p. 532).

In a study conducted in Turkey, Kara, Uysal, Sirgy, and Lee (2013) found that transformational leadership significantly and positively influence hotel employees’ perceived quality of work life (QWL). Furthermore, employees’ perceived QWL could negatively influence hotel employees’ burnout, positively impact hotel employees’ organizational commitment and life satisfaction (Kara et al., 2013). This study again confirmed the results of previous studies regarding the impact of transformational leadership.
Self-Determination Theory (SDT)

In the last decades, lots of studies have been done to discover the role of motivation in human behavior. A number of theories have been proposed and one of the most influential theories is SDT. SDT is one of the most validated frameworks of motivation and psychological needs by Greguras and Diefendorff (2009).

“SDT is an approach to human motivation and personality that uses traditional empirical methods while employing an organismic metatheory that highlights the importance of humans' evolved inner resources for personality development and behavioral self-regulation”(Ryan & Deci, 2000, p. 68). It “views human beings as proactive organisms whose natural or intrinsic functioning can be either facilitated or impeded by the social context” (Deci, Eghrari, Patrick, & Leone, 1994, p. 120). Thus, SDT’s “arena is the investigation of people's inherent growth tendencies and innate psychological needs that are the basis for their self-motivation and personality integration, as well as for the conditions that foster those positive processes” (Ryan & Deci, 2000, p. 68). In another word, SDT also investigates “the consequences of the extent to which individuals are able to satisfy the needs within social environments” (Gagné & Deci, 2005, p. 337).

Ryan and Deci (2000) summarized three universal needs that comprised SDT: the needs for competence, relatedness, and autonomy. These three prerequisite needs “appear to be essential for facilitating optimal functioning of the natural propensities for growth and integration, as well as for constructive social development and personal well-being” (Ryan & Deci, 2000. p. 68). Gagné and Deci’s (2005) summarized that the satisfaction of the three psychological needs yielded many positive outcomes, such as: effective performance, job satisfaction, positive job-related attitude, organizational citizenship behavior, self-esteem, and
organizational commitment, psychological adjustment and well-being.

SDT is based on the assumption that individuals possess an “inherent growth needs” and “innate psychological needs” (Deci & Ryan, 2000, p. 68). Kovjanic, Schun, Jonas, Quaquebeke, and Dick (2012) emphasized the importance of the fulfillment of the three needs as an essential prerequisite for human thriving and development, and based on Gagné and Deci’s (2005) study, they interpreted the three basic physiological needs as:

Autonomy refers to being able to self-organize one’s behavior. It involves a sense of choice and a feeling of not being controlled by forces alien to the self.

Competence concerns feelings of mastery and effectiveness, which originate from opportunities to apply and expand one’s capabilities. Relatedness refers to a feeling of connectedness and association and involves a sense of being significant to others. Past research has demonstrated that the satisfaction of these psychological needs is related to a wide range of positive outcomes including performance, self-esteem, and organizational commitment. (Kovjanic et al., 2012, p. 1033)

Many motivation frameworks have focused on individual’s different needs. Since, needs are leaned and can change over time, SDT maintains and focuses on the three basic and universal needs and proposes differences in opportunities to satisfy needs, regardless of individual differences (Deci & Ryan, 2008).

**Leadership and Self-Determination**

Kovjanic et al. (2012) revealed a strong relationship between transformational leadership and fulfillment of the three basic needs of SDT. “The satisfaction of followers’ basic needs
(autonomy, competence, and relatedness) mediates the relationship between transformational leadership and employee outcomes (job satisfaction, self-efficacy, and commitment to the leader)” (Kovjanic et al., 2012, p. 1031). Their study corroborated that “need fulfillment is indeed a central mechanism behind transformational leadership” (Kovjanic et al., 2012. p. 1031).

First, as characterized, transformational leaders provide followers with the context for interrupting the meaning of their work by articulating the tasks (idealized influence), communicating future goals and opportunities that appear to be absorbing and valuable to followers (inspirational motivation) (Bass, 1985) and linking these goals to the follower self (individualized consideration) (Shamir, House, & Arthur, 1993). These leaders encourage followers to participate decision making by showing consideration of followers’ opinions, taking their ideas into account (individual consideration) (Bass, 1985), and encourage followers to innovate and develop new methods to accomplish their work more efficiently (intellectual stimulation) (Kovjanic et al., 2012). As a result of offering followers autonomy in the way they perform their job and reach their goals, transformational leaders address followers’ self-motivation for the organizational goals (Bass, 1985) and followers perceive organizational goals as their own objectives (Bono & Judge, 2003). The most important is that followers’ needs for autonomy are satisfied through this process.

Second, as observed, transformational leader realize the value of building followers’ capabilities and apply themselves to enhance followers’ capabilities by investing in employees training (individual consideration) (Kovjanic et al., 2012), providing developmental support and feedback (Kirkpatrick & Locke, 1996), and building a sense of confidence among followers (Kovjanic et al., 2012). In addition, transformational leaders share their vision and mission, exhibit confidence and self-esteem; thus, they receive respect and trust from followers (Bass &
Avolio, 1994). They inspire followers’ internal motivation, express high expectations (idealized influence), induce followers’ willingness (Bass & Avolio, 1994), increase followers’ perceived competence (Shamir, House, & Arthur, 1993) and enhance followers’ sense of mission to achieve organizational goals (Bass & Avolio, 1994). Subsequently, followers respect and trust their transformational leaders, and want to be like them (Brown & Arendt, 2011). Transformational leaders foster enthusiastic, passionate and optimistic atmosphere at work; thus, they make followers believe that they can perform better than expected (Bass & Avolio, 1994). Therefore, transformational leaders enhance followers’ sense for competence.

Third, transformational leaders create the feeling of relatedness and foster the bond among leaders and followers and build cohesive teams. As Kovjanic et al. (2012) stated transformational leaders instill followers’ perception of the team by emphasizing the importance of the team’s goals, highlighting team achievements and positively distinguishing the team from other teams (Burns, 1978; Kovjanic et al., 2012). Also, transformational leaders are advertent to followers’ demands (Chiang & Jang, 2008); they show empathy, understanding and acceptance of individual differences (Lee, Kim, Son & Lee, 2011). Thus, followers “can grow with assistance and guidance from transformational leaders” (Bass & Avolio, 1994; Dai et al., 2013, p. 264). By doing so, transformational leaders satisfy employees’ needs for relatedness.

As concluded by Ryan and Deci (2000):

A basic need, whether it is physiological need or psychological need, it is an energizing state that, if satisfied, it conduces toward health and well-being but, if not satisfied, it contributes to pathology and ill-being. The basic needs for competence, autonomy, and relatedness must be satisfied across the life span for an individual to experience an ongoing sense of integrity and well-being. (Ryan &
Deci, 2000, pp. 74-75)

“Employees' experiences of satisfaction of the needs for autonomy, competence, and relatedness in the workplace predicted their performance and well-being at work” (Ryan & Deci, 2000, p. 75).

**What is Employee Well-Being?**

Employees’ Well-being is a crucial outcome from an employees’ perspective (Faragher, Cass, & Cooper, 2005), and it is under the spotlight of organizational life (Grant, Christianson, & Price, 2007).

In Nuffield Health’s (UK’s largest health charity) report Corporate Investment in Employee Wellbeing the Emerging Strategic Imperative, Pruyne (2011) defined:

Employee well-being is a positive state in which the individual is able to function at or near their optimal level, whether defined and measured in terms of physical, mental, emotional and/or social functioning, with significant implications for the individual, their family and community, the organization and society at large.

(Pruyne, 2011, p. 4)

In the report, Pruyne (2011) also stated:

1) Well-being is a broader term that incorporates health and wellness;
2) Wellbeing is about the positive functioning - what some call ‘thriving’ or ‘flourishing’;
3) Wellbeing covers all aspects of individual functioning - physical, mental, emotional and social;
4) Well-being involves individual’s personal life and work life.
5) Wellbeing ascribes importance to any factor that affects the ability of the employee to function at the top of their game, including organizational and societal factors beyond the individual’s control;

6) Because it is multi-dimensional and complex, wellbeing may prove challenging to operationalize, particularly for the complex corporations of today. (Pruyne, 2011, pp. 6-7)

WorldatWork The Total Rewards Association (WTRA, 2012) stated that the evolving and integrated concept well-being comprised physical health and treating the whole individual. It also listed several elements of well-being:

- Physical health (enhancing one’s physical fitness);
- Mental/emotional health (resources to balance one’s self, situations and others);
- Financial health (tools to attain financial freedom and success);
- Spiritual health (defined as one’s strong sense of self or purpose through beliefs, principles, values and ethical judgments) (WTRA, 2012, p.3).

In the line with these views, “well-being is a combination of the quality and cumulative effects of work, life, health, relationships, and community” (Gifford, McKeage, & Biberman, 2014, p. 103). Employees’ well-being is not only about people’s medical health, but also “the subjective state of being healthy, happy, contented, comfortable and satisfied with one’s quality of life” (Waddell & Burton, 2006, p. 4) and this concept comprises a number of different elements: physical, emotional, developmental, material and social dimensions (Waddell & Burton, 2006). Specifically, well-being at work refers to safe working environment, job satisfaction and work-life balance (Finnish Institute of Occupational Health [FIOH], 2006).
Hospitality Industry Frontline Employees

Zohar’s (1994) study recognized hospitality industry as one of the most stressful professions (Walters & Raybould, 2007). Hospitality industry’s typical stressors could be long and unsociable working hours, low and unpredictable wages, a lack of stability in the employment relationship (Pienaar & Willemse, 2008), interpersonal tension at work and overload (O’Neill & Davis, 2011). Hospitality industry is a labor-intensive industry and its success and prosperity generally depends on frontline employees’ ability, motivation and performance (King, 2010; Slatten & Mehmetoglu, 2011); it has unsociable working hours and high pressure working conditions, and faces labor shortages, and high levels of staff turnover (Buick & Thomas, 2001; Walters & Raybould, 2007). “The complex and changing environment of the hospitality industry presents a never ending array of stimuli, pressures and demands that can be stressful, especially for front-line personnel” (Kara et al., 2013, p. 10).

Hospitality frontline employees generate and deliver the intangible hospitality product – service and experience – for customers, and often experience long and irregular working hours, heavy workloads, and low wages (Gonzalez, 2004). At work, they are subjected to dynamic situations with predictable and unpredictable peaks, which could lead to extend working hours and work overload.

Regarding to irregular work schedule increasing stress level, Pienaar and Willemse (2008) commented:

Shift work is also a common feature in this industry, which further exacerbates a situation of having to work when others are relaxing, and vice versa. Individuals doing shift work often appear to have little time for non-work life commitments
such as their own health, their families and friends, household and vehicle
maintenance, relaxation and hobbies. (Pienaar & Willemse, 2008, p. 1053)

Previous studies also have revealed that irregular patterns such as rotating shift and non-
standard work schedule interfere with hospitality frontline employees’ leisure life more than
other industries (Lin, Wong & Ho, 2013; Staines & O’Connor, 1980; Wong & Lin, 2007), and
shift workers may experience increased levels of stress due to lose of work-life balance (Pienaar,
& Willemse, 2008; Sardiwalla, 2003). Work stress causes expensive voluntary turnover and is
costly to organizations (Villanueva & Djurkovic, 2009).

Hospitality frontline service employees frequently interact with customers with diverse
needs and background face to face in a multi-generation and multi-culture working environment.
From time to time, they often find themselves in the conflicting situation of the company and
customers where these conflicts can cause dissonance (Ruyter, Wetzels, & Feinberg, 2001) and
have to confront highly stressful and demanding situations (Pienaar, & Willemse, 2008). Being
pleasant when dealing with a demanding and insulting, even ridiculous customer is a typical
scenario of emotional labor (Hochschild, 1983). Hochschild (2003) revealed that work that is
emotionally demanding, can lead to high stress levels and employee burnout. Pizam (2004)
confirmed “emotional labor is associated with higher levels of perceived stress, distress and
turnover, and lower levels of satisfaction in the service industry” (Pienaar, & Willemse, 2008, p.
1053). Therefore they must “deal with various work-related stressors in addition to work-family
conflict” (Lin et al., 2013, p. 178).

Within the context of work stress, “burnout is considered a significant possible negative
outcome” (Pienaar, & Willemse, 2008, p. 1054), and it is prevalent in service industry and is an
“occupational hazard for people-oriented professions” (Jamal & Baba, 2000, p. 454).
Since the 1970s, the term burnout has been widely used to “describe the stresses experienced by people working in human services industries” (Walters & Raybould, 2007, p. 145). Burnout defines “the relationship that people had with their work and the difficulties that might surface when that relationship breaks down” (Maslach, Schaufeli & Leiter, 2001; Walters & Raybould, 2007, p. 145). Problems experienced at work that result in a negative interaction between individual and the environment can lead to burnout (Vallen, 1993). As previous studies found, burnout is more pervasive in service industries due to a high degree of interaction with customers (Buick & Thomas, 2001) and “frontline non-supervisory employees may be more prone to burnout than those in supervisory and administrative positions” (Seltzer & Numerof, 1988; Walters & Raybould, 2007, p. 146) while report showing hospitality managers face more stressors than hourly employees (O’Neill & Davis, 2011). van Dierendonck, Schaufeli and Buunk’s (1998) found that work-related burnout in employees can result in physiological, psychological and behavioral consequences and is harmful to employees’ well-being and organizational effectiveness and efficiency (Walters & Raybould, 2007).

**Impact of Employees’ Well-Being on Business**

Saks (2006) referred employees’ outcome to employees’ engagement, organizational effectiveness and performance. While work-related performance is management’s primary interest (Stajkovic & Luthans, 1998), “workplace well-being and performance are complimentary and dependent components of a financially and psychologically healthy workplace” (Harter, Schmidt, & Keyes, 2003, p. 16) and well-being employees are productive and bring financial benefits to the organization (Black, 2012).

Frontline employees’ positions are in the middle of customers and organization (Singh,
During every service encounter, frontline employees have the chance to tailor the service and situation in real time (Smith & Zenou, 2003), influence customers’ perception of the company and service and customer satisfaction (Harris & de Chernatony, 2001; Ottenbacher, 2007). Customers’ evaluation of a firm depends on their satisfaction of their received service, thus “the success of hospitality organizations as well as of service organizations in general depends upon the performance of its frontline employees” (Slatten & Mehmetoglu, 2011, p. 88).

Hospitality frontline employees are at the frontier of hospitality organizations and occupy prevailing positions to collect valuable market information (qualitative and quantitative data); hospitality firms should incentivize their creative potential (Geng, Liu, C., Liu, X., & Feng, 2014; Wang & Netemeyer, 2004). Frontline employees’ creativity is important and vital for hospitality companies to promote service innovations, improve performance, increase customer satisfaction and gain sustainable competitive advantage (Coelho, Augusto, & Lages, 2011).

Spinelli and Canavos (2000) argued that customer satisfaction is associated with employee satisfaction. In order to satisfy customers, hospitality organizations need to satisfy their employees first (Hoffman & Ingram, 1992; Garlick, 2010).

“Poor wellbeing is strongly related to absenteeism and presenteeism” says Jim Harter, Ph.D., Gallup's chief scientist for employee engagement and wellbeing (Robison, 2013, p. 1), and “indeed, Gallup's analysis shows that poor wellbeing accounts for 600 unhealthy days per 1,000 employees per month” (Robison, 2013, p. 1.). Physical sickness can cause presenteeism, sickness absence, short term and long-term incapacity, early retirement. Gallup’s analysis found that employee well-being contributes to more employee sick days (Robison, 2013) and higher turnover rate (Cook, 2015). Vice versa, high employee well-being is linked to creativity, loyalty, productivity (Jeffrey, Mahony, Michaelson, & Abdallah, 2014) and job satisfaction (Lin et al.,
2013), and employees satisfaction leads to customer satisfaction and is favorable to the organization.

**Summary**

Studies around Transformational Leadership Theory as discussed earlier have focused and emphasized on how transformational leaders motivate employees to perform beyond expectation and towards organizational goals. Self-Determination Theory claimed three universal needs and linked these needs to personal behavior, development and growth. Kovjanic et al. (2012) further confirmed: 1) transformational leadership fulfilled the Self-determination Theory’s three basic needs; 2) the need satisfaction played the mediating role in linking transformational leadership and employee outcomes.

Modern Well-being definition integrated well-being as a positive state comprises multiple dimensions that significantly impact individual’s life as a whole. Gallup’s analysis statistically revealed the impact of employee well-being on the business.

The working environment hospitality organizations present to their frontline employees is dynamic and possesses a lot of uncertainties, such as unsocial schedule, unpredictable workload, low and unstable income, unexpected service encounters, etc. Service-oriented employees experience more stress than other professions, due to constant and frequent customer interactions. Because of the dependence of frontline service employees and their significant impact to hospitality organization, it is important to understand how to improve employees’ well-being. This study distinguish itself from previous studies by looking at improving hospitality frontline employees’ well-being from a different aspect, that is transformational leadership increases self-determination and positively impacts hospitality frontline employees’ well-being.
Part Three

Introduction

The development of the Internet and evolving technology has been changing the way people communicate about their level of dissatisfaction with business. For hospitality firms, unsatisfied customers are not only choosing to go viral about bad customer service experiences, but they are also sharing their unsatisfied experience with their families, friends and firm’s potential customers through word of mouth or social media. Thus, hospitality firms stand to lose more than just customers they fail to satisfy customers. As competition is getting fiercer in hospitality industry and customers are become more and more demanding, customer service has been and will always be crucial to successful customer retention and company reputation. Therefore, anything that affects customer service quality and service delivery will always be a hospitality management focus. Hospitality frontline employees are vital to success in hospitality, and their well-being is one factor that affects their performance, and further affects the quality of service they deliver and the business of hospitality firms.

This paper focuses on the affection and impact of transformational leadership style and self-determination on hospitality frontline employees’ well-being; and how hospitality frontline employees’ wellbeing impact the business. The final part of this paper will summarize the literature review and link these findings to the problem it explores, and provides hospitality management practical recommendations for leadership development and offers suggestions to HR practices.
Summary of Findings

Different leadership styles lead to different employee outcome. Transformational leaders share their mission and vision, exhibit their commitment, show personal consideration and attention, foster team spirit and passion, enhance employees’ confidence and willingness; thus, they earn employees’ trust and respect. Transformational leaders’ idealized influence, inspirational motivation, intellectual stimulation and individualized consideration fulfill individual’s basic needs for competence, relatedness and autonomy; and as a result it increases individual’ self-determination. High employee self-determination leads to numerous positive outcomes and employees’ well-being is one of these. These findings confirm the two propositions proposed: 1) transformational leadership has positive impact on the self-determination of hospitality frontline employees, and; 2) higher levels of self-determination (autonomy, competence, and relatedness) have a positive impact on hospitality frontline employees’ well-being.

The hospitality industry is a stressful profession. Hospitality frontline employees respond to a wide range of customer emotions. They are expected to deal directly with difficult customers who, at times, are rude and insensitive to employees. For example, if a product or service doesn’t meet a customer’s expectation, it is not uncommon for that customer to yell at the employee. As a result, the physical and emotional health of the employee can be negatively affected along with their work performance. When hospitality frontline employees experience well-being, they are more likely to provide high quality customer service consistently, meet and go beyond organization’s expectation, and are more productive, engaged and committed to team success. These are also the ultimate results of team leaders’ transformational leadership and the employees’ increased self-determination.
Recommendation

Based on hospitality frontline employees’ working and living situations discussed in the literature review and the understanding of how transformational leaders increase employees’ self-determination, this paper provides focused recommendations on leadership development and HR practices that will improve employees’ well-being and ultimately maximize employee productivity.

Leadership Development Recommendation

Leadership development program should not just focus on knowing, but also understanding the difference between managing and leading, and the difference between transformational leaders and transactional leaders. Understanding means that leaders must be willing to influence, motivate and stimulate their employees and take individual differences and needs into their consideration, and they must not do it because they are asked to do so. Sincerity and genuineness make a big difference in leadership.

Leadership development programs ought to consist Talent Review, Mentor Program and a Management Succession Program to meet employees’ growth needs (needs for competence) and prepare them to be future leaders. Incumbent leaders should be willing to prepare their employees to become future leaders (inspirational motivation and intellectual stimulation). Leaders should be recognized and awarded for training their successions.
Human Resources Practice Recommendation

Hospitality industry is about people making people happy. While operations leaders are responsible for ensuring a delightful experience for customers, human resources (HR) professionals are tasked with ensuring that employee experiences at work are equally enjoyable. Besides organizational policies and disciplines, HR practices should also focus on how to take care of employees. Based on hospitality frontline employees’ working conditions, HR practices should consider shift workers’ needs and employees’ work-life balance needs. Following internal services suggestions could make employees feel their work are appreciated, their needs are considered and their well-being are valued by the organization. Many other HR practices could be designed and offered, and here are just some examples.

Hospitality firms can consider providing family-related-needs day off, such as family member sick day off, special family needs day off (moving, religion services) for employees, specially shift workers to take care of their personal life, instead of calling in sick. Stress is negatively linked to employees’ well-being, regardless work stress or personal life stress. Vacation time off provided by employer should be used for employees to rest, relax, refresh, and prepare getting back on their job stress-free.

Hospitality firms could have designed maternity employee parking. Pregnant employees take up a small percentage of organization workforces, but they do have special needs besides maternity leave. Offering maternity employees parking is a small thing to do, however, it shows employer’ individual consideration and willingness to take care of employees’ special needs even just a small group of people. Employees would be more committed when perceiving managers’ care.
Hospitality firms also should think of offering onsite or near-location 24-hour babysitting services. Majority of hospitality frontline employees are shift workers and babysitting is their major concern. Baby-sitting could be their headache and could also so extremely costly if couple can hardly work out their working schedules to take care of their young children. Organization offering onsite or near-location 24-hour baby-sitting service can solve employees’ baby-sitting problem and may improve employees’ work-life balance as well.

HR practices should have extended or flexible HR service hours. Many hospitality firms have internal events to engage employees, such as employee of the month celebration, chatting with executives, employee competition, etc. However, these internal events along with HR office hours are limited to regular office schedule during the daytime. This schedule takes the edge off the outcome of employee engagement and internal service convenience from shift workers who are not working during the regular office hours. Extended or flexible HR service hours can increase shift workers’ satisfaction of relatedness needs and perceived individual consideration.

Understanding and applying the findings of this paper will help hospitality organizations to build a robust leader team and improve its frontline employees’ well-being and organizations will financially benefit from employees’ improved work engagement, organizational commitment, work performance and life satisfaction as a result.

**Conclusion**

As this paper has explored, hospitality frontline employees’ well-being is extremely influential to their performance, and their performances directly affect product quality hospitality firms provide. Improving employees’ well-being should be a strategic focus of hospitality organizations. Building managerial teams with transformational leaders who understand how to
increase employees’ perception of self-determination is one of many ways to improve employees’ well-being. It will take a commitment and investment in manager training and a willingness to further explore the factors that enable stronger self-determination to have a positive and sustained impact on employee well-being. This paper offers a first step analyzing the problem. It is my hope that more research is pursued regarding this important topic.
Reference


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