**Chapter one**

**Introduction**

**1.1 Background to the Study**

The hospitality industry plays a crucial role in the global economy, contributing to employment, revenue generation, and economic growth. With increasing competition and evolving customer demands, hospitality organizations face the challenge of enhancing their organizational performance to maintain a competitive edge. In this context, effective leadership is essential for guiding and motivating employees, fostering a positive work environment, and ultimately improving organizational performance. Leadership styles are key determinants of how leaders interact with their employees and influence their behavior and performance within the organization.

The hospitality industry is a rapidly growing sector that encompasses various businesses, including hotels, restaurants, event planning, and tourism services. According to the World Travel and Tourism Council (WTTC), the global travel and tourism industry's contribution to GDP was approximately 10.4% in 2020 (WTTC, 2021). With such significant economic importance, it is crucial for organizations in the hospitality sector to strive for high levels of organizational performance.

Organizational performance refers to an organization's ability to achieve its strategic goals, meet customer expectations, and generate profits (Pavlou *et al*., 2018). In the context of the hospitality industry, organizational performance is closely linked to customer satisfaction, loyalty, and financial success. Hospitality organizations that excel in providing exceptional customer experiences tend to enjoy repeat business and positive word-of-mouth, contributing to their long-term success (Wang *et al.,* 2018).

Leadership is a critical factor that influences organizational performance in the hospitality industry. Effective leadership plays a vital role in shaping the work environment, motivating employees, and driving organizational success (Chi et al., 2018). Leadership styles, which refer to the behavior and approach adopted by leaders in influencing their followers, have been extensively studied in relation to organizational performance (Avolio *et al.,* 2009). Different leadership styles can have varying effects on employee motivation, job satisfaction, engagement, and ultimately, customer satisfaction and organizational performance.

**1.2 Statement of the Problem**

While numerous studies have explored the relationship between leadership styles and organizational performance, there is a need to investigate this relationship specifically in the context of the hospitality industry. The unique nature of the hospitality business, characterized by high customer interaction and service delivery, calls for leadership styles that can effectively address the demands and challenges faced by organizations in this sector. Therefore, this study aims to examine the role of leadership styles in enhancing organizational performance in the hospitality business.

**1.3 Aim and Objectives of the Study**

The aim of this research is to analyze the role of leadership styles in enhancing organizational performance in hospitality business (case study of Bano Hotel, Mubi, Adamawa State). The specific objectives are as follows:

1. To identify and describe the different leadership styles commonly observed in the hospitality industry.
2. To examine the relationship between leadership styles and employee motivation, job satisfaction, and engagement in the hospitality sector.
3. To assess the influence of leadership styles on customer satisfaction and loyalty in hospitality organizations.
4. To explore the mediating role of employee motivation, job satisfaction, and engagement in the relationship between leadership styles and organizational performance in the hospitality sector.

**1.4 Research Questions**

This study will address the following research questions:

1. What are the different leadership styles prevalent in the hospitality industry?
2. How do leadership styles impact employee motivation, job satisfaction, and engagement in the hospitality sector?
3. What is the relationship between leadership styles and customer satisfaction and loyalty in hospitality organizations?
4. To what extent do employee motivation, job satisfaction, and engagement mediate the relationship between leadership styles and organizational performance in the hospitality sector?

**1.5 Significance of the Study**

The findings of this research will contribute to the existing body of knowledge on leadership in the hospitality industry. By examining the role of leadership styles in enhancing organizational performance, this study will provide valuable insights for hospitality managers and leaders. The results can guide decision-making processes related to leadership development, training, and recruitment within hospitality organizations. Furthermore, this research may help organizations create a positive work environment that fosters employee motivation, job satisfaction, and engagement, leading to improved customer satisfaction and loyalty.

**1.6 Scope and limitation of the Study**

The scope of this study focuses on examining the role of leadership styles in enhancing organizational performance specifically within the context of the hospitality industry case study of Bano Hotel, Mubi, Adamawa State. It seeks to explore the relationship between different leadership styles and their impact on employee motivation, job satisfaction, engagement, customer satisfaction, and loyalty. Additionally, the study aims to investigate the mediating role of employee motivation, job satisfaction, and engagement in the relationship between leadership styles and organizational performance.

**1.7 Definition of terms**

**Customer Satisfaction:** Refers to the extent to which customers' expectations and needs are met or exceeded by the products, services, or experiences provided by an organization. It is a critical factor in building customer loyalty and positive word-of-mouth.

**Employee Motivation:** Refers to the internal drive and desire of employees to take action, exert effort, and achieve organizational goals. It is influenced by factors such as recognition, rewards, job satisfaction, and opportunities for growth and development.

**Engagement**: Refers to the level of commitment, enthusiasm, and involvement that employees have towards their work and the organization. Engaged employees are typically more motivated, productive, and invested in achieving organizational goals.

**Hospitality Industry:** Encompasses businesses involved in providing services and accommodations to guests and customers, including hotels, restaurants, event planning, tourism services, and related sectors.

**Job Satisfaction:** Refers to an employee's overall feelings and attitudes towards their job. It encompasses factors such as job security, work-life balance, compensation, career advancement opportunities, and the quality of work relationships.

**Leadership Styles:** Refers to the different approaches and behaviors adopted by leaders in influencing and guiding their followers. It encompasses various styles such as transformational leadership, transactional leadership, autocratic leadership, democratic leadership, and laissez-faire leadership.

**Organizational Performance:** Refers to the ability of an organization to achieve its strategic goals, meet customer expectations, and generate positive outcomes such as profitability, market share, and customer satisfaction.

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.1 Introduction**

This chapter presents a comprehensive review of the literature on the role of leadership styles in enhancing organizational performance in the hospitality industry. It provides an overview of key concepts, theories, and empirical studies related to leadership styles, organizational performance, employee factors, and customer satisfaction. The review of recent research aims to establish a theoretical foundation and identify gaps in knowledge that will be addressed in this study.

**2.2 Leadership Styles in the Hospitality Industry**

**2.2.1 Transformational Leadership in Hospitality**

Transformational leadership has been widely recognized as an effective leadership style in the hospitality industry. It is characterized by leaders who inspire and motivate their followers, create a shared vision, and promote individual growth and development. Numerous studies have highlighted the positive impact of transformational leadership on employee outcomes and organizational performance in the hospitality sector.

Zhang *et al.* (2021), conducted a study on the influence of transformational leadership on hotel employees' innovative work behavior. They found that transformational leadership positively influenced employees' job satisfaction, which in turn increased their innovative work behavior. The study highlighted the importance of transformational leaders in fostering a supportive and empowering work environment that encourages creativity and innovation among employees.

Wang *et al.* (2022) explored the relationship between transformational leadership and employee creativity in the hospitality industry. Their findings revealed that transformational leadership positively influenced employees' voice behavior, which in turn enhanced their creativity. The study emphasized the role of transformational leaders in promoting a climate of open communication and idea sharing, leading to increased employee creativity. Overall, the literature supports the view that transformational leadership is a valuable leadership style in the hospitality industry, as it enhances employee motivation, job satisfaction, and innovative behaviors.

**2.2.2 Transactional Leadership in Hospitality**

Transactional leadership, characterized by a focus on clarifying expectations, setting goals, and providing rewards or punishments based on performance, has also been observed in the hospitality industry. While transactional leadership is often considered a more task-oriented approach, it has been found to have positive effects on employee compliance and task performance in hospitality settings.

Li *et al.* (2022) examined the impact of transactional leadership on employee innovation behavior in the hotel industry. Their study revealed that transactional leadership positively influenced employees' innovative work behavior. They found that transactional leaders who provided clear guidelines, rewards, and recognition for innovative efforts fostered a climate that encouraged employees to engage in innovative behaviors.

Hou *et al*. (2021) investigated the impact of transactional leadership on hotel employees' service performance. Their findings showed that transactional leadership positively influenced employees' service performance through the mediating role of perceived organizational support. The study emphasized the importance of transactional leaders who effectively communicate expectations and provide rewards for meeting performance standards, leading to improved service performance. These studies suggest that transactional leadership, when used in combination with other leadership styles, can be an effective approach in promoting employee compliance, performance, and innovation in the hospitality industry.

**2.2.3 Autocratic Leadership in Hospitality**

Autocratic leadership, characterized by a hierarchical structure and a focus on centralized decision-making, has been observed in certain hospitality contexts. However, the literature suggests that autocratic leadership may have negative consequences on employee satisfaction and engagement in the hospitality industry.

Zhang *et al.* (2021) examined the relationship between authoritarian leadership and employee creativity. Their findings revealed that authoritarian leadership negatively influenced employees' psychological empowerment, leading to reduced creativity. The study highlighted the importance of fostering a supportive and empowering leadership approach to promote employee creativity and innovation in hospitality organizations.

Han *et al.* (2022) investigated the effects of authoritarian leadership on employee proactive behavior. Their findings indicated that authoritarian leadership negatively influenced employees' perceived insider status, which in turn decreased their willingness to engage in discretionary efforts. The study emphasized the detrimental effects of autocratic leaders on employee motivation and proactive behaviors in the hospitality industry. The literature suggests that autocratic leadership may hinder employee satisfaction, engagement, and creativity in hospitality organizations. Therefore, it is recommended that leaders in the hospitality industry adopt more participative and empowering leadership styles to foster positive employee outcomes.

**2.2.4 Democratic Leadership in Hospitality:**

Democratic leadership, characterized by involving employees in decision-making processes and valuing their input, has been recognized as a beneficial leadership style in the hospitality industry. Studies have highlighted the positive impact of democratic leadership on employee outcomes such as job satisfaction, psychological empowerment, and innovative behaviors.

Guo and Jiang (2021) investigated the impact of democratic leadership on employees' creative self-efficacy and innovative behavior. Their findings revealed that democratic leadership positively influenced employees' psychological empowerment, which in turn increased their creative self-efficacy and innovative behavior. The study emphasized the importance of involving employees in decision-making and empowering them to contribute to the organization's creative processes.

Zhang *et al.* (2023) explored the effect of democratic leadership on hotel employee job satisfaction. Their findings indicated that democratic leadership positively influenced employees' job satisfaction through the mediating role of psychological empowerment. The study highlighted the significance of leaders who encourage employee participation and value their opinions, leading to higher levels of job satisfaction. The literature supports the notion that democratic leadership can positively impact employee outcomes in the hospitality industry. By involving employees in decision-making and empowering them, leaders can create a supportive work environment that fosters job satisfaction, psychological empowerment, and innovative behaviors.

Overall, the literature on different leadership styles in the hospitality industry suggests that transformational and democratic leadership styles are associated with positive employee outcomes and organizational performance. Transactional leadership can also be effective in specific contexts, particularly in promoting compliance, task performance, and innovation. Autocratic leadership, on the other hand, may have negative effects on employee satisfaction and engagement. It is recommended that leaders in the hospitality industry adopt a combination of transformational and democratic leadership styles to foster a positive work environment and enhance employee performance and satisfaction.

**2.3 Leadership Styles and Employee Factors**

The choice of leadership style significantly influences employee motivation, job satisfaction, and engagement in the hospitality industry. Research has consistently shown the positive impact of transformational leadership on these employee factors. For instance, a recent study by Zhang et al. (2023) found that transformational leadership positively influenced employee motivation and job satisfaction, leading to higher levels of engagement in luxury hotel settings.

Transactional leadership has also been associated with positive employee outcomes. A study by Wang and Lv (2021) revealed that transactional leadership positively influenced employee motivation and job satisfaction in Chinese restaurants. However, it is worth noting that while transactional leadership can be effective in specific situations, its long-term impact on employee engagement and satisfaction may be limited (Hoffman et al., 2022).

Moreover, autocratic leadership has been found to have a negative impact on employee satisfaction and engagement. A study by Liang and Xie (2022) demonstrated that autocratic leadership negatively affected employee job satisfaction and reduced their willingness to engage in discretionary efforts in luxury hotel operations.

**2.4 Leadership Styles and Customer Satisfaction**

Customer satisfaction is a crucial aspect of organizational performance in the hospitality industry. Leadership styles have been found to influence customer satisfaction indirectly through their impact on employee behaviors and attitudes. Transformational leadership, with its focus on inspiring and motivating employees, has been positively associated with customer satisfaction (Kapoor et al., 2021). A study by Yu et al. (2022) indicated that transformational leadership positively influenced employee service behavior, which, in turn, led to higher levels of customer satisfaction in the hotel industry.

Transactional leadership, particularly its contingent reward aspect, has also been linked to improved customer satisfaction. A study by Kim and Lee (2021) found that transactional leadership positively influenced employee service behavior and customer satisfaction in the restaurant industry. On the other hand, autocratic leadership has been associated with lower levels of customer satisfaction. Research by Lee et al. (2023) indicated that autocratic leadership negatively influenced employee service behavior, which subsequently led to decreased customer satisfaction in the hospitality sector.

**2.5 Mediating Role of Employee Factors**

Employee motivation, job satisfaction, and engagement have been identified as potential mediators in the relationship between leadership styles and organizational performance in the hospitality industry. A study by Chen et al. (2022) found that employee job satisfaction partially mediated the relationship between transformational leadership and organizational performance in the hotel industry. This suggests that transformational leaders who foster high job satisfaction among employees can indirectly enhance organizational performance.

Similarly, employee engagement has been found to mediate the relationship between leadership styles and organizational performance. A study by Wang et al. (2023) revealed that employee engagement partially mediated the relationship between transactional leadership and organizational performance in the hospitality industry.

**2.6 Summary**

This chapter has reviewed recent literature on the role of leadership styles in enhancing organizational performance in the hospitality industry. It highlighted the prevalence of different leadership styles, including transformational, transactional, autocratic, democratic, and laissez-faire leadership. The review also emphasized the impact of leadership styles on employee factors such as motivation, job satisfaction, and engagement, as well as their indirect influence on customer satisfaction. Furthermore, the mediating role of employee factors in the relationship between leadership styles and organizational performance was discussed.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

This chapter highlights the steps and procedures employed in carrying out this research work. In other words, this chapter deals with the research design, population of the study, sample size, sources of data collection, instrument of data collection, validity and reliability of instrument and instrument of data analysis.

**3.1** **RESEARCH DESIGN**

Research design can be defined as a choice among many alternative ways of collecting information that will satisfy the research objective.

The research design adopted for this research work was the survey research, which involved sampling of opinions of different people using different techniques in order to get information on what is being studied.  
Obasi (2013), states that survey research employs a variety of data gathering instruments or techniques such as the questionnaire, the interview observation, test and so on.

**3.2 POPULATION OF THE STUDY**

This is the target of the study. It specifies the aggregate of items or person from whom data pertinent to the study is collected. It is the actual or definite population to be studied and must be obtained from a relevant source, office or record book. Population of the study must be stated in figure (Obasi, 2013).

The population of this study consist of Sixty (60) respondents which comprises of both the customer and the staff of Bano, Mubi, Adamawa State.

**3.3** **SAMPLING TECHNIQUE**

A simple random sampling technique was used for the purpose of this research to sample respondents.

**3.4 SAMPLE SIZE**

This defines the procedure of ascertaining the targeted sample size used for the study. The population was narrowed down to determine the sample size or reachable size of the population. The sample size which is equally the accessible population for the study was determined using Taro Yamane statistical tool for sample size determination.

Formular is stated thus:

n = N

1+N(e)2

Where,

n = sample size

N = population size

e = margin of error (5%)

1 = constant

Substituting;

n =

=

=

=

= 52.17

Therefore, the sample size of the study is Fifty-Two (52) which will serve as the population for the study.

**3.5 METHOD OF DATA COLLECTION**

Research problems can be solved only on the basis of data collection. The data for this study were collected mainly through the interview administered randomly to the collected population in it. Representatives were briefed so that they could understand what the questions meant and thereby fill the accurate answers. The responses were adequately and carefully decoded to enable the researcher arrive at the accurate and reliable answers that will help in analyzing the data.

**3.6 METHOD OF DATA ANALYSIS**

The data collected for this study was analyzed using the T-test statistics of “Mean”. This statistical tool is appropriate because of the descriptive nature of the research. Using five (5) points liken-type scale to analyze questions to which values were attached as follows:

|  |  |  |
| --- | --- | --- |
| VARIABLES | CODES | VALUES |
| Strongly Agree | SA | 5 |
| Agree | A | 4 |
| Undecided | UD | 3 |
| Disagree | D | 2 |
| Strongly Disagree | SD | 1 |

The mean will be calculated using the formula below: - X=

Where X – Mean

E- Summation

X- Nominal/assigned values

F- Frequency of observation

N- Number of respondents

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