A Study on the Leadership Style and the Organizational Performance in Korea and USA

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Abstract
This study aimed to suggest ways Korea’s top-class hotels can improve their global competitiveness, using as a model the developmental process of hotel leadership in the US. We conducted an expert opinion survey on hotel leaders in Korea and the US and explored the differences between their perceptions of emotional leadership and servant leadership and ways to improve organizational performance. We also conducted a quantitative study involving employees of Korea's top-class hotels to investigate the effect of emotional and servant leadership styles on job satisfaction, innovative behavior, and customer orientation. The results suggest that, to improve job satisfaction, respect for values and support for growth under servant leadership should be focused on and that innovative behavior is encouraged by respect for values and the formation of community under servant leadership. To enhance customer orientation, respect for values and support for growth should be focused on. Finally, job satisfaction and innovative behavior contribute directly to improving customer orientation.

Keywords: emotional leadership, servant leadership, job satisfaction, innovative behavior, customer orientation

1. Introduction

1.1 Study Objectives and Significance
Understanding leadership outcomes in the Korean and US hotel industries requires that the industries’ developmental processes be examined. In the US, a democratic service culture was established with ease in the hotel industry because the ideas of freedom and equality of the Puritans who immigrated to the New World in the 17th century were socially widespread (Chung, 1996). Since the late 18th century, hotels in the US have developed the world’s top management techniques and shown a leadership style different from Europe’s, as American-style chain hotels have spread worldwide.

In Korea, although hotels were built in the late 19th century by foreigners, the hotel industry began to develop in earnest only in the 1950s, after the Korean War. In the 1970s, a tourism hotel classification system and certification testing for tourism hotel managers were introduced, improving the quality of the hotel industry (Chung, 2011).

The role of leaders is very important because employees’ performance outcomes greatly influences the organizational performance of a hotel business (Liden, Wayne, & Sparrowe, 2000). Hotel business leaders should exhibit leadership and perform detailed analyses of the traditional ethical awareness of the team members who significantly impact service quality. Service quality at Korean hotels has significantly improved but has not yet reached the level of the world’s top-class hotels because the Confucian cultural practice of discriminating among people on the basis of social class and looking down upon the service culture still influences the minds of Koreans (Cho, 2003).

For managers of Korean hotel organizations to show leadership and improve organizational performance, a business culture should be established in which horizontal and respectful interactions are carried out not only between management and employees but also between employees and customers (Lee, 2000). Moreover, top-class hotels positioned for global business, both in Korea and the US, should utilize variables measuring leadership style and organizational performance in an integrated fashion.

This study analyzed the effects of emotional leadership and servant leadership on organizational performance in
the hotel industry. Leadership styles can be approached in various ways depending on how they are classified. This study focused on emotional leadership and servant leadership. These two styles can improve organizational performance only if horizontal interactions occur among the hotel business leaders, employees, and customers.

Emotional leadership is an approach whereby leaders use the emotions of organization members in a complex way (Rafaeli & Worline, 2001). It emphasizes leaders’ emotional capacity to understand their internal world and consider members’ emotional needs; here, relationships among members form naturally (Lee & Goo, 2004). Servant leadership is effective in satisfying members’ self-expression and growth needs, preventing forcible leadership, and arousing voluntary involvement and dedication among subordinates (Bass, 1990; Ryu & Cho, 2007).

This study discussed organizational performance according to leadership style in terms of job satisfaction, organizational innovation, and customer orientation (Scott & Bruce, 1994; McCall-Kennedy & Anderson, 2002; Tutuncu & Kozak, 2007; Shin & Kim, 2005). These factors must overcome cultural biases and achieve customer surprise in order to improve the competitiveness of a hotel business because top-class hotels positioned for global business serve tourists from a variety of cultural backgrounds (Wong & Ladkin, 2008; Kwon & Kim, 2014).

Top-class Korean hotels are not yet showing world-class leadership while preserving their Korean characteristics (Lee, 2010; Kim & Moon, 2011). They should seek sustainable alternatives with which to enhance global competitiveness, while at the same time respecting Korean culture. To do so, they should move away from a vertical service culture and recognize the real value of a horizontal service culture to improve the level of customer satisfaction. Thus, in this study, we investigated the level of the perception of emotional leadership and servant leadership in the hotel industry in both Korea and the US and systematically examined the relationship between the leadership style that fits Korea’s situation and organizational performance.

1.2 Study Hypotheses

Hypotheses were formulated with a focus on two leadership styles, emotional leadership and servant leadership, and three aspects of organizational performance, job satisfaction, innovative behavior, and customer orientation. We propose the following:

Hypothesis 1. Perceptions of emotional leadership and servant leadership differ between the Korean and US hotel industries.

Hypothesis 2. Leadership style (emotional leadership and servant leadership) in Korea’s hotel industry has a significant impact on organizational performance (job satisfaction, innovative behavior, and customer orientation).

2. Theoretical Review

2.1 Hotel Leadership in Korea and the US

Korea’s lodging industry had had a long history before a hotel positioning for global business first appeared in the late 19th century. Dae-bul Hotel opened in 1888, the same year the Port of Incheon opened, and Sontag Hotel was constructed by a Russian in Seoul in 1902. Chosun Hotel was built by the Japanese in Seoul and became a center of international business and politics. Early Korean hotels were established through foreign investment and did not develop very far until the 1960s. The Tourism Promotion Act was enacted in August 1961, and tourism hotels were constructed thereafter. A tourism hotel classification system and certification testing for tourism hotel managers were introduced in the 1970s, providing an opportunity for Korean hotels to improve their quality (Chung, 2011; Lee, 2013).

The history of the US hotel industry goes back to the early 17th century, when British Puritans moved to the new continent to escape from religious persecution. After the 18th century, modern hotels began to develop rapidly. After the 19th-century industrial revolution, the demand for travel between the US and Europe increased, and the demand for domestic travel grew exponentially, causing various forms of lodging facilities to be constructed all over the US. A notable characteristic of the developmental history of the US hotel industry is that, although Americans followed the European hotel business model, highly competitive chain hotels began to spread very fast in the 1930s and have now secured global competitiveness (Chung, 1996).

By contrast, Korea’s hotel industry adopted hotel leadership models from Europe and Japan, as well as the US, and tried to strengthen global competitiveness, but no hotel in Korea has yet become world-class. The leadership shown by the US hotel industry is a worthwhile model; it started with European-style hotels, realized the value of commercial investment on the basis of freedom, equality, and pragmatism, and developed the idea of putting
customers first (Kwon & Lee, 2013).

Additionally, although Korea’s chain and local hotels compete with each other, 5-star hotels are dominated by chain hotels like Hyatt, Sheraton Walkerhill, Intercontinental, and Grand Hilton. As chain hotel managers can easily adopt management knowhow from headquarters to improve service quality and provide customers with a surprise experience, they focus on management efficiency by following headquarters’ strategic direction, rather than pursuing a differentiation strategy by combining hotel service with the historical and cultural values of the local region (Nam, 2008; Karatepe & Sokmen, 2006; Oh & Hong, 2015).

Hotel managers should have a creative vision and strategy for the survival and prosperity of the business and seek changes in both their employees and the entire organization. For a hotel business to seek changes to the organization and a higher level of competitiveness, the management culture should be one that inspires employees to work with passion (Yoon, 2007).

In addition to the job capability mentioned above, a leader should be able to lead the entire team or organization to achieve an outstanding outcome. Doing so requires the leadership capacity to support each individual employee in fully realizing his or her potential and a focus on building teamwork to beat the competition (Lee, 2013).

An analysis of studies on leadership in the hotel industry reveals that most research has examined the industry within specific countries or regions. Maister (2011) examined the job responsibilities of leaders and improvements in the hotel food service sector; Lee and Goo (2004) investigated the effect of leadership on group cohesiveness and job outcomes in the hotel industry; Yoon (2007) analyzed the effects of hotel managers’ leadership; Goo and Mok (2009) explored the relationship between emotional leadership and management; Kim, Kwon and Yang (2009) investigated the leadership of hotel employees and their job satisfaction; Shin & Kim (2005) examined the effect of leadership style on job satisfaction and turnover intention; and Lee (2013) studied leadership style and organizational performance. This list of studies shows that a dominant interest in the literature is improving hotel industry competitiveness in a specific region rather than comparing hotel industries across regions.

2.2 Leadership Style and Organizational Performance

Various approaches have been taken to classify leadership styles in the hotel industry. This study focused on emotional leadership and servant leadership. Leadership styles can be classified into transactional, transformational, emotional, servant leadership, and other types (McColl-Kennedy & Anderson, 2002; Walumwa et al., 2004; Lee, 2010). All leadership styles influence organizational performance, but we examined organizational performance with a focus on emotional leadership and servant leadership, the two leadership styles essential in top-class hotels’ search for global business and improved competitiveness.

Emotional leadership involves the emotional quotient (EQ) and is based on the reasoning that an organization effectively achieves its vision and goals when the leader wholeheartedly accepts, understands, and considers members’ feelings and desires while also expressing his or her own feelings (Goleman, Boyatzis, & McKee, 2002; Jung, Kim, and Yang, 2007). Among the measurement tools available for emotional leadership, sub-variables have not yet been standardized in the literature (Marques, 2007). Research has shown that the effectiveness of organizational performance improved when emotional leadership was combined with servant leadership, suggesting that emotional leadership and servant leadership contain complementary characteristics (McColl-Kennedy & Anderson, 2002; Lee, 2010).

The emotional leadership of hotel managers is effective in simultaneously pursuing organizational effectiveness and client orientation and can contribute significantly to enhancing loyalty among organization members (Lee & Park, 2011). Furthermore, emotional leadership is effective in reducing job stress and turnover propensity (Mackenzie, Podsakoff, & Rich, 2001; Goo & Mok, 2009). Thus, these variables need to be considered in analyses, together with organizational performance. Emotional leadership is significantly related to subordinates’ job stress. Therefore, a hotel business planning strategies for improving organizational performance using leadership should also seek strategies for lowering job stress and turnover (Sadri, 2012).

The concept of servant leadership, first proposed by Greenleaf (1991) in 1970, posits that an organization grows only when the leader shows the ability, as a servant, to help organization members (Cho, 2010). A servant leader views human dignity as being of prime importance and helps subordinates realize their potential. For instance, Yuki (1989) showed that an unexpected, surprising level of organizational performance was achieved when a trusting relationship formed between boss and subordinates through servant leadership whereby the leader wholeheartedly cared for the subordinates. In addition, the servant leadership concept also assumes that
organizational performance can be maximized only when leaders serve organization members from the bottom of their hearts, going beyond the function of mere aides (Sims, 1997; Shin & Kim, 2005; Park & Lim, 2014).

In American society, where the Puritan ideas of freedom and equality have been accepted as universal values, it may be easy for a servant leader—in which a boss cares for and helps subordinates—to generate empathy. Given Korean society’s focus on Confucian authoritarianism and hierarchical order, however, the servant leadership style needs to be practiced differently to improve organizational performance (Park, Baek, & Seo, 2010).

Job satisfaction is strongly associated with whether employees’ needs are met through the job and is a positive emotional state gained from work experience. The feelings of self-satisfaction and achievement are strongly related with organizational performance (John, 1992; Go & Kim, 2015).

Job satisfaction improves management outcomes by enhancing the quality of service and continuously strengthening relationships with customers (Sin, 1996; Maister, 2001). Hwang and Chi (2005) reported a high correlation between the job satisfaction and sales performance of hotel employees. The job satisfaction of hotel employees can contribute significantly to the achievement of a hotel’s strategic goals by inspiring employees’ emotions, beliefs, and feelings of achievement (Kim, 2008). Innovative behavior, studied since the 1980s, is the adoption and practice of new ideas that contribute to the outcomes of the organization (Scott & Bruce, 1994; Lee, 2012). Innovative behavior will be effective only if the agent of the behavior feels the need for a change and leads the process of change. Thus, the focus should be on suggesting new ideas and creating practical plans for their application (Kanter, 1988; Woodman, Sawyer, & Griffin, 1993).

Research on leadership styles and innovative behavior has demonstrated that a leadership style promoting an equal relationship between leader and members induces innovative behavior, that relationship-oriented leadership is more effective than task-oriented leadership in generating the outcome of innovative behavior, and that the leader's support for, consideration of, and dedication toward the members encourage innovative behavior (Hong, 2012). Therefore, emotional leadership and servant leadership can be central factors in stimulating innovative behavior.

Customer orientation means having an effective understanding of buyers in a specific business sector in order to create customer value to satisfy or move customers. A hotel business should be involved in customers’ purchase decision-making to both understand consumer behavior patterns and practice customer surprise, as well as to raise the level of customer satisfaction (Hoffman & Ingram, 1992; Lee & Park, 2011). Study results have demonstrated that hiring employees with a customer-oriented attitude is important in improving customer orientation and that the quality of service and the level of customer satisfaction will improve only when an appropriate reward system for employees is in place. Particularly, employees’ strong motivation to learn and positive attitude can raise the level of customer orientation (Lee, 2013).

3. Methods

3.1 Participants

An expert opinion survey was distributed to total 20 people including 10 people in Korea and 10 people in the US, but the effective sample size was 12 people. Of these, 13 were male and 7 female. All were business managers, ranging from Assistant Manager to Manager. The demographic characteristics of the survey respondents for quantitative analysis are as follows. In terms of gender, 66.2% were male and 33.8% female. In terms of age, 32.9% were in their 20s, 32.6% in their 30s, 24.1% in their 40s, and 10.4% in their 50s. Regarding their departments, 26.8% worked in the kitchen, 20.4% in food and beverages, 18.9% in room sales, 12.2% in room services, 8.5% in facility management, 7.4% in marketing, and 5.8% in amenities. Regarding educational level, 48.5% has graduated from technical college, 32.3% from university, 9.7% from graduate school, and 9.5% from high school. Regarding form of employment, 79.3% were regular, full-time workers and 20.7% were irregular contractors. Finally, regarding educational background, 58.5% had majored in an area related to hospitality and tourism, and 41.5% had majored in an unrelated area.

3.2 Study Period and Procedure

The survey was administered between January and March 2015. To reflect the leadership-related reality of the industry in this empirical research, pretesting was conducted between August and September 2014. We reconstructed the measurement instruments by removing ambiguities on the basis of the information we collected in preliminary research and tried to eliminate unscientific elements in the survey administration process along with a thorough training of research assistants to ensure that methodological consistency would be maintained when they administered the survey.

In addition, reliability was checked using the Cronbach’s alpha coefficients to test the internal consistency of the
same concepts, and validity was examined to improve the accuracy of the empirical study and minimize unscientific elements. Based on the analysis results for leadership style (emotional leadership and servant leadership) and organizational performance (job satisfaction, organizational innovation, and customer orientation), we conducted a factor analysis to investigate the statistical separations of detailed sub-variables and rechecked content validity by examining the results in relation to those of previous studies. Data were analyzed using the SPSS program. Participants in the quantitative study were drawn from a pool comprising employees (both managers and non-managers) at top-class hotels in Korea. Forty copies of the survey were administered at each hotel, and 328 surveys (of a total of 400 returned surveys) were analyzed.

3.3 Study Instruments

3.3.1 Theoretical Foundation of the Study Instruments

The core variables in the study were leadership style (emotional leadership and servant leadership) and organizational performance (job satisfaction, innovative behavior, and customer orientation). As the hotel industry constantly strives to achieve customer surprise, we chose to use emotional leadership and servant leadership as hotel industry leadership styles (Rafaeli & Worline, 2001; Nam, 2011; Hwang, 2012). Emotional leadership utilizes the emotions of hotel employees in an integrated fashion, and servant leadership contributes significantly to satisfying the autonomous expression of opinions and the need for growth among hotel employees (Bass, 1990; Kim, 2007; Park, 2012).


To understand the perceptions of leadership style (emotional leadership and servant leadership) and organizational performance (job satisfaction, innovative behavior, and customer orientation) in the Korean and US hotel industries, an expert opinion survey was administered to 20 experts between October and December 2014.

It would have been useful to conduct a comparative study using variables that are distinctive between the two countries, such as the effects of their distinct business cultures on management outcomes. In this study, however, showing the differences in statistical study results between the countries would have been difficult. It was reasoned that it would be more productive to concentrate on hotels in a specific country or region and explore ways of improving competitiveness in that region. Thus, we conducted a parallel quantitative study in which we analyzed organizational performance for different leadership styles to suggest options for improvement.

The survey used for the quantitative study was constructed on the basis of previous research. The survey was developed around the critical variables of leadership style (emotional leadership and servant leadership) and organizational performance (job satisfaction, organizational innovation, and customer orientation) using an interval (Likert-type 5-point) scale, as well as demographic information collected using a nominal scale. In developing the survey on leadership style and organizational performance with the interval scales from survey data, clear operational definitions of terms should be used to determine the concrete scope of the survey items. The operational definitions of the variables used in the study—leadership style (emotional leadership and servant leadership) and organizational performance (job satisfaction, innovative behavior, and customer orientation)—are given below.

Emotional leadership focuses on improving management outcomes through a process in which the leader expresses his or her feelings and emotionally communicates with organization members (McColl-Kennedy & Anderson, 2002; Jung, Kim, & Yang, 2007). Servant leadership focuses on improving organizational competitiveness through a process in which the leader voluntarily plays the role of a servant and helps organization members (Greenleaf, 1991; Cho, 2010).

Job satisfaction focuses on satisfying hotel employees’ needs through their jobs (John, 1992; Go & Kim, 2007). Innovative behavior is the ability to cope with uncertainty in the hotel business environment and focuses on proposing new ideas and practical plans for their application (Woodman, Sawyer, & Griffin, 1993; Scott & Bruce, 1994; Lee, 2012). Customer orientation refers to the marketing of a hotel business in which employees think and behave from the customers’ perspective (Hoffman & Ingram, 1992; Lee & Park, 2011).
3.3.2 Reliability and Validity of the Study Instruments

The results of the factor and reliability analyses of the independent variables are shown in Table 1. Exploratory factor analysis was conducted using principal components analysis, the most widely used method, which relies on a factor extraction method that employs the total variance in the data. Factor rotation was achieved with the varimax method to simplify factors in the factor matrix in order to fit a simple structure. All factors with eigenvalues equal to or greater than 1 were retained, and the threshold for factor loading was equal to or greater than 0.4.

The final factor extraction results showed that leadership was differentiated into the two factors of emotional and servant leadership. In addition, emotional leadership had three subordinate factors with factor loadings ranging from 0.619 to 0.790, labeled as “relationship management,” “self-management,” and “self-perception.” Servant leadership also had three subordinate factors with factor loadings ranging from 0.501 to 0.811, labeled as “respect for values,” “formation of community,” and “support for growth.” The total explained variance was 72.646% for emotional leadership and 70.517% for servant leadership. As a measure of internal consistency among scale items in a multi-item scale, a value of Cronbach’s α equal to or greater than 0.6 is considered high. In this study, it ranged from 0.833 to 0.912, indicating a high level of reliability.

Table 1. Reliability of measurement factors analysis

<table>
<thead>
<tr>
<th>Factor</th>
<th>Item</th>
<th>Factor loading</th>
<th>Eigenvalue</th>
<th>Variance explained</th>
<th>Cronbach's α</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-L</td>
<td>Relationship management</td>
<td>My boss has the charisma to attract someone’s heart persuasively.</td>
<td>.790</td>
<td>3.7222</td>
<td>28.627</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss can support others’ ability with proper feedback and guidance.</td>
<td>.767</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss maintains good personal relationships with employees.</td>
<td>.760</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss identifies the feelings of employees and customers with accuracy.</td>
<td>.751</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss can resolve conflicts occurring at the hotel well.</td>
<td>.601</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss has the sincerity to show him or herself honestly as is.</td>
<td>.559</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-management</td>
<td>My boss understands his or her feelings well.</td>
<td>.789</td>
<td>2.885</td>
<td>22.192</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss understands his or her feelings well.</td>
<td>.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss controls his or her feelings well.</td>
<td>.609</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss thinks positively of his or her values and abilities.</td>
<td>.554</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-perception</td>
<td>My boss uses his or her instincts in decision making.</td>
<td>.820</td>
<td>2.837</td>
<td>21.826</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss addresses new challenges and changes with ease.</td>
<td>.690</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss can admit his or her mistakes.</td>
<td>.619</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S-L</td>
<td>Respect for value</td>
<td>My boss uses a respectful title when calling my name.</td>
<td>.811</td>
<td>3.590</td>
<td>25.644</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss gives me opportunities to show my abilities.</td>
<td>.747</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss waits for a sufficient amount of time after asking me to do a job.</td>
<td>.711</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss gives me opportunities to freely express my opinions.</td>
<td>.674</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss asks me to do a job and explains things nicely.</td>
<td>.627</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Formation of community</td>
<td>We occasionally discuss private issues.</td>
<td>.786</td>
<td>3.186</td>
<td>22.759</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss pays attention to my private matters.</td>
<td>.669</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>We take the time to develop a friendship, like eating a meal together after work.</td>
<td>.660</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>My boss encourages me to not be afraid of making</td>
<td>.637</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. Results

4.1 Perception of Leadership in the Korean and US Hotel Industries

To test Hypothesis 1, interviews were conducted with managers working in the hotel industries in Korea and the US. The results showed national differences in their perceptions of emotional leadership and servant leadership. We present some of the interviews verbatim below and discuss how the perceptions of emotional leadership and
servant leadership differ between the countries.

4.1.1 Perceptions of Emotional Leadership in the US Hotel Industry

H, who had worked as a manager for nine years at B hotel in the US, was asked what emotional leadership means to growing the hotel with a vision. To the question, “What do you think of the importance of emotional leadership and the direction of growth in the hotel industry?” Manager H responded as follows:

I think emotional leadership is…mmm…it’s a difficult question. In my opinion, it means that the process of hiring quality people enriched with emotions and training them is important. The hiring process in any company in the world is very important, and the future of the company depends on that. In that sense, I think hiring quality people in the first place is very crucial. It is very important to choose quality people who have a strong sense of duty and can take responsibility for the future of the hotel (An excerpt from the interview with Manager H of B hotel in the US).

H of B hotel in the US emphasized that emotional leadership was a crucial factor in determining the competitiveness of 21st century hotels and that it was important to select people enriched with emotions during the hiring process. He thought that it would be difficult to train people who lack emotion and that the emotional leadership of organization members was a critical factor in customer satisfaction and an essential element of organizational performance.

G, who had worked as a manager at R hotel in the US for eight years, was asked in the interview about what emotional leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of emotional leadership and the direction of growth in the hotel industry?” Manager G responded as follows:

I think today’s hotel customers don’t purchase hotel products unless they are emotionally attracted. It’s not easy to clearly explain what it means to be emotionally attracted…I think it’s just buying products that have a good feeling. So, hotel employees should show the ability to understand the emotional desires customers want. I think, if we market hotel products with a focus on price against quality, like we did before, it’s going to be difficult to improve the competitiveness of the hotel (An excerpt from the interview with Manager G of R hotel in the US).

G of R hotel in the US said that, because customers of first-class hotels had a greater tendency to buy hotel products due to emotional attraction, a system should be put in place to help hotel employees actively identify customers’ emotional needs. G stressed that, whereas customers used to make buying decisions by comparing the prices and qualities of hotel products, today’s customers tend to not buy a product unless they are emotionally drawn to it, in addition to being drawn by the price and quality.

K, who had worked as a manager at the famous H hotel in the US for nine years, was asked about what emotional leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of emotional leadership and the direction of growth in the hotel industry?” Manager K responded as follows:

I think, to show emotional leadership, you should be a person enriched with emotions. There are people naturally enriched with emotions, but I think people can develop their emotions into richness depending on their lifestyle. I learned that exercising hard helps emotional development, and I also know that, if you actively get involved in artistic activity, like photography, music, and the arts, you can gradually become a person enriched with emotions. Personally, I play golf, take photographs, and enjoy traveling, whenever I have time (An excerpt from the interview with Manager K of H hotel in the US).

K of H hotel in the US stressed that, to raise the emotional quotient of hotel employees, they should be supported in getting involved in sports and artistic activity. He emphatically said that even people rich with emotions can have a low emotional quotient if they are exposed to severe job stress for a long period of time or are in an environment where they cannot participate in leisure or artistic activities.

4.1.2 Perceptions of Emotional Leadership in Korea’s Hotel Industry

P, who had worked as a manager for 10 years at S hotel in Korea, was asked about what emotional leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of emotional leadership and the direction of growth in the hotel industry?” Manager P responded as follows:

When we hire employees at our hotel, we consider it important to select quality people who can move customers, but…it seems that we are not objectively evaluating applicants’ emotional ability when hiring them. From time to time, when I see our employee did not make a real mistake…but a customer complaint is received, I feel that standardized service has a limit in satisfying customers. But, it’s not easy to clearly explain emotional
leadership (An excerpt from the interview with Manager P of S hotel in Korea).

As mentioned, Manager P of Korea’s S hotel said that, when the hotel hired employees, the look and personality appropriate for hotel service were considered but not job performance ability in terms of emotional leadership. However, P stressed the importance of the systematic education of hotel leaders to improve personal relationships with employees, which would contribute to a higher level of customer satisfaction, and of personal relationships among employees, which would allow them to truly trust and help each other.

L, who had worked as a manager for nine years at I hotel in Korea, was asked about what emotional leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of emotional leadership and the direction of growth in the hotel industry?” Manager L responded as follows:

When we hire employees at our hotel, we try to hire people whom we think would be friendly with other people and good for hotel service, but…in my view…there are employees whom customers highly think of, although in my opinion…they are not especially good compared to other employees. That is, they are not especially wholehearted or diligent. Perhaps, those employees are emotionally attractive, I think (An excerpt from the interview with Manager L of I hotel in Korea).

L of I hotel in Korea said it was not easy to clearly explain what emotional leadership was, but it was an ability to show unique charm and make others feel captivated. Thus, L stressed, it would be important to hire personnel who would be fit for hotel service. L continued that employees not fit for hotel service were more likely to leave the hotel; thus, an elaborate system for hiring quality personnel must be established, and emotional ability must be considered during the hiring process.

J, who had worked as a manager for eight years at P hotel in Korea, was asked about what emotional leadership means in growing the hotel with a vision. To the question, "What do you think of the importance of emotional leadership and the direction of growth in the hotel industry?" Manager J responded as follows:

To become an emotional leader, some people have natural talent for that but…First, it would be important to hire employees who are rich in emotion. Also, I think, you should continuously try to raise the emotional quotient. I personally get involved in exercise and travel, and the artistic activity that I like, whenever I have time. In my experience, I have a better insight than before when making a decision and now have the habit of thinking positively (An excerpt from the interview with Manager J of P hotel in Korea).

J of P hotel stressed that he was diligent at exercising in order to be an emotional person and that, because the development of emotional capacity was more effective through the right brain than the left, whenever he had time, he tried to develop emotional capacity by travelling and doing the artistic activities he liked.

4.1.3 Perceptions of Servant Leadership in the US Hotel Industry

K, who had worked as a manager for six years at a hotel in the US, was asked about what servant leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of servant leadership and the direction of growth in the hotel industry?” Manager K responded as follows:

For servant leadership to succeed, first of all, there should be equality between hotel employee, the service provider, and hotel customer. In American society, there are only a limited number of cases where there is inequality between service provider and service recipient, but every once in a while employees feel very hurt because of customers. It's very difficult for a manager to address a situation like that. At my hotel…we try to improve customer satisfaction by preventing disputes with customers, regardless of what character the customer is…We actively address problem solving with systematic training and also by giving appropriate discretionary power to employees (An excerpt from the interview with Manager K of A hotel in the US).

K of A hotel in the US emphasized that, for servant leadership to be successful, the work environment should be such that equality between hotel employees and customers is guaranteed. K said that most customers dealt with employees with respect, but that some difficult customers were rude because of a small mistake an employee made, and then the employee would become very distressed. To prevent this, K stressed, systematic education should be provided to ensure there are no errors when hotel employees provide customer service, and front-line employees should be given appropriate discretionary power so that disputes with customers are resolved quickly.

T, who had worked as a manager for seven years at K hotel in the US, was asked about what servant leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of servant leadership and the direction of growth in the hotel industry?” Manager T responded as follows

Servant leadership, together with emotional leadership, is a critical factor on which hotel competitiveness depends. I think servant leadership has to do with the essential attitude toward customers. In my opinion…when
a hotel employee displays a welcome that’s felt from the bottom of the heart, the customer will be moved. It’s important for even capable employees to receive continuous education to maintain a consistent level of service quality. Only then can my hotel achieve the organizational performance we pursue (An excerpt from the interview with Manager T of K hotel in the US).

T of K hotel in the US said that employees' attitudes toward customers are important for servant leadership to affect the relationship between employees and customers, emphasizing that employees’ service mentality is important to whether they feel rewarded when a customer is satisfied or moved with their service. T said organizational performance would improve only if employees’ service mentality is continuously managed and enhanced through systematic training in the service mentality.

Y, who had worked as a manager for 12 years at W hotel in the US, was asked about what servant leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of servant leadership and the direction of growth in the hotel industry?” Manager Y responded as follows:

Servant leadership is…I think, before customer satisfaction, the work environment should be provided where employees can work happily. It’s because employees' satisfaction is naturally connected to customer satisfaction. Hotel executives and managers should always see the difficulties employees are having and help them. Isn't helping employees to grow servant leadership? And…I believe, more than anything, when people higher up on the ladder show it themselves, employees will trust them and follow suit (An excerpt from the interview with Manager Y of W hotel in the US).

Y of W hotel in the US said that executives and managers should establish an employee management system to review in detail and improve employees' difficulties and that only then will servant leadership affect organizational performance. Y emphasized that only when hotel managers present a vision while also considering the employees and aggressively resolving their difficulties can organizational competitiveness dramatically improve.

4.1.4 Perceptions of Servant Leadership in Korea’s Hotel Industry

N, who had worked as a manager for seven years at P hotel in Korea, was asked about what servant leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of servant leadership and the direction of growth in the hotel industry?” Manager N responded as follows:

The young generation these days seems to have a service mentality that's different from our generation. Before, hotel employees didn’t feel very proud of themselves, but I think there are many young people these days who enjoy serving customers and conversing with them. It's changed a lot…Hotel employees also have a global attitude, and perhaps because they get systematic training, I think they are proud and at the same time, respectful…But, even still now, some customers make it difficult for hotel employees. I would like it if, above all, there is a change in customers' demeanor regarding hotel employees, as if they were below them…Only then will the hotel industry in our country leap one step forward, I think (An excerpt from the interview with Manager N of P hotel in Korea).

N of P hotel in Korea said that the perception of hotel employees was the most important factor in raising the effectiveness of servant leadership. Even now, some among the younger generation disparage the value of the service culture because of the Confucian highlighting of class and professional separation. N also emphasized that some hotel customers talked to hotel employees disrespectfully, as if they were servants. N added that, when employees felt insulted by customers, not only did they become frustrated, but their work ethic also deteriorated, which could drive them to leave the hote.

M, who had worked as a manager for eight years at J hotel in Korea, was asked about what servant leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of servant leadership and the direction of growth in the hotel industry?” Manager M responded as follows:

I think hotel managers should regard the employees respectfully; that's the most important…It is impossible for the employees who are not trusted by the boss to satisfy customers or move them. And, I know that, psychologically, when human beings gain great knowledge or information from others that they didn't know before, they instinctively express their respect for them. But, when they see weaknesses in someone, they instinctively tend to show disregard for the person, I think. So, we consider systematic training in customer service important (An excerpt from the interview with Manager M of J hotel in Korea).

M of J hotel in Korea stressed that, for respectful, equal interaction to occur not only between hotel managers and employees but also between employees and customers, customers' perceptions of hotel service should improve. M argued that the hotel should promote professionalism in employees so that their weaknesses are not...
exposed to customers and strengthen systematic education in their professional job area so that customers will not look down upon them.

C, who had worked as a manager for 11 years at H hotel in Korea, was asked about what servant leadership means in growing the hotel with a vision. To the question, “What do you think of the importance of servant leadership and the direction of growth in the hotel industry?” Manager C responded as follows:

I think that Korean society has not yet completely established equality between service provider and service recipient. Friction hardly occurs between employees and Western customers, but…sometimes when there is friction with a Korean customer, it's difficult for me. It seems as though the incorrect awareness still exists in the minds of Koreans that people working in the service sector can be looked down on. Still, it is OK. Because it's really improved compared to the past…At our hotel, the executives and managers try hard to improve loyalty among employees on the basis of informal interactions and mutual trust (An excerpt from the interview with Manager C of H hotel in Korea).

C of H hotel in Korea highlighted that an educational program on social consciousness or global manners should expand country-wide to improve the inequality in the service sector existing between hotel employees and customers and that hotel employees should keep their pride and excel in their job performance. C added that a shortcut to enhancing organizational performance would be minimizing conflict between hotel employees and customers by deepening organizational loyalty through managers' respectful attitude toward employees and maintaining a horizontal relationship between them rather than a master–servant relationship.

4.2 Leadership Style and Its Effect on Organizational Performance (Job Satisfaction, Innovative Behavior, and Customer Orientation)

4.2.1 Emotional Leadership and Its Effect on Organizational Performance (Job Satisfaction, Innovative Behavior, and Customer Orientation)

To test the effects of emotional leadership on job satisfaction, innovative behavior, and customer orientation (see Hypothesis 2), multiple regression analysis was conducted. The results are shown in Table 3. The R-squared value of the model that tested the effect of emotional leadership on job satisfaction was .455, indicating that the explanatory power of the regression model was 45.5%. The F-statistic value, a measure for testing the statistical significance of the regression equation, was 86.265, showing that the model was significant at a 0.000 level. The regression coefficient (β) of the subordinate factors of emotional leadership was .194 (p< 0.01) for relationship management, .327 (p< 0.001) for self-management, and .209 (p< 0.01) for self-perception. All subordinate factors of emotional leadership had a significant effect on job satisfaction, indicating that relationship management, self-management, and self-perception of emotional leadership are absolutely critical factors in improving the job satisfaction of hotel employees.

Table 3. Emotional leadership influencing job satisfaction

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Unstandardized B</th>
<th>Standard error</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>Relationship Management</td>
<td>.169</td>
<td>.062</td>
<td>.194</td>
<td>2.706</td>
<td>.007**</td>
</tr>
<tr>
<td></td>
<td>Self-management</td>
<td>.289</td>
<td>.067</td>
<td>.327</td>
<td>4.335</td>
<td>.000***</td>
</tr>
<tr>
<td></td>
<td>Self-perception</td>
<td>.181</td>
<td>.064</td>
<td>.209</td>
<td>2.827</td>
<td>.005**</td>
</tr>
</tbody>
</table>

F-Value=86.265, P-Value=.000, R-Square=.455

Notes: *p<.05, ** p<.01, *** p<.001.

Table 4 displays the results of multiple regression analysis on the effect of emotional leadership on innovative behavior. The R-squared value of the regression model was .344, the explanatory power of the model was 34.4%, and the F-statistic value was 54.677, indicating that the model was significant at a significance level of 0.000. The coefficient (β) for the subordinate factors of emotional leadership was .243 (p<0.01) for self-management and .301 (p<0.001) for self-perception, suggesting that self-management and self-perception have a significant effect on innovative behavior. The relationship management of emotional leadership was not significant. As shown above, leaders’ self-management and self-perception have important impacts on innovative behavior in the hotel industry, whereas the importance of leaders’ interpersonal relationship and relationship management abilities are relatively low.
Table 4. Emotional leadership influencing innovative behavior

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Unstandardized B</th>
<th>Standard error</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative behavior</td>
<td>Relationship Management</td>
<td>.075</td>
<td>.069</td>
<td>.085</td>
<td>1.089</td>
<td>.277</td>
</tr>
<tr>
<td></td>
<td>Self-management</td>
<td>.215</td>
<td>.073</td>
<td>.243</td>
<td>2.965</td>
<td>.003***</td>
</tr>
<tr>
<td></td>
<td>Self-perception</td>
<td>.262</td>
<td>.070</td>
<td>.301</td>
<td>3.740</td>
<td>.000***</td>
</tr>
</tbody>
</table>

F-Value=54.677, P-Value=.000, R-Square=.344

Notes. *p< .05, **p< .01, ***p< .001.

Table 5 shows the results of multiple regression analysis on the effect of emotional leadership on customer orientation. The R-squared value of the regression model was .319, the explanatory power of the model was 31.9%, and the F-statistic value was 48.430, showing that the model was significant at a 0.000 level. The coefficient (β) was significant for two subordinate factors of emotional leadership, with .249 (p<0.01) for relationship management and .259 (p<0.01) for self-perception. The self-management of emotional leadership was not significant. Thus, relationship management and self-perception are important in improving customer orientation under emotional leadership, whereas self-management is not.

Table 5. Emotional leadership influencing customer orientation

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Unstandardized B</th>
<th>Standard error</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation</td>
<td>Relationship Management</td>
<td>.217</td>
<td>.069</td>
<td>.249</td>
<td>3.138</td>
<td>.002**</td>
</tr>
<tr>
<td></td>
<td>Self-management</td>
<td>.092</td>
<td>.073</td>
<td>.105</td>
<td>1.252</td>
<td>.211</td>
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<tr>
<td></td>
<td>Self-perception</td>
<td>.225</td>
<td>.071</td>
<td>.259</td>
<td>3.183</td>
<td>.002**</td>
</tr>
</tbody>
</table>

F-Value=48.430, P-Value=.000, R-Square=.319

Notes. *p<.05, **p<.01, ***p<.001.

4.2.2 Servant Leadership and Its Effect on Organizational Performance (Job Satisfaction, Innovative Behavior, and Customer Orientation)

The results of multiple regression analysis on the effect of servant leadership on job satisfaction, innovative behavior, and customer orientation are discussed below. As shown in Table 6, the R-squared value of the model that tested the effect of servant leadership on job satisfaction was .461, indicating that the explanatory power of the regression model was 46.1%. The F-statistic value was 88.936, showing that the model was significant at a 0.000 level. The coefficient (β) of two subordinate factors of servant leadership was significant, with .330 (p<0.001) for respect for values and .316 (p<0.001) for support for growth. Formation of community did not have a significant effect on job satisfaction. Thus, to improve job satisfaction, the focus should be on respect for values and support for growth under servant leadership.

Table 6. Servant leadership influencing job satisfaction

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Unstandardized B</th>
<th>Standard error</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>Respect for values</td>
<td>.224</td>
<td>.051</td>
<td>.330</td>
<td>4.424</td>
<td>.000***</td>
</tr>
<tr>
<td></td>
<td>Formation of community</td>
<td>.070</td>
<td>.067</td>
<td>.082</td>
<td>1.058</td>
<td>.291</td>
</tr>
<tr>
<td></td>
<td>Support for growth</td>
<td>.281</td>
<td>.067</td>
<td>.316</td>
<td>4.215</td>
<td>.000***</td>
</tr>
</tbody>
</table>

F-Value=88.936, P-Value=.000, R-Square=.461

Notes. * p<.05, **p<.01, ***p<.001.
The results of multiple regression analysis on the effect of servant leadership on innovative behavior are shown in Table 7. The R-squared value of the regression model was .345, the explanatory power of the model was 34.5%, and the F-statistic value was 55.239, indicating that the model was significant at a 0.000 level. Respect for values and formation of community in servant leadership were shown to significantly influence innovative behavior, with $\beta=0.208$ ($p<0.05$) and $\beta=0.297$ ($p<0.01$), respectively. Support for growth did not have a significant effect. Thus, to improve innovative behavior, focus should be placed on respect for values and formation of community under servant leadership.

Table 7. Servant leadership influencing innovative behavior

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Unstandardized B</th>
<th>Standard error</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative behavior</td>
<td>Respect for values</td>
<td>.142</td>
<td>.056</td>
<td>.208</td>
<td>2.535</td>
<td>.012 *</td>
</tr>
<tr>
<td></td>
<td>Formation of community</td>
<td>.257</td>
<td>.073</td>
<td>.297</td>
<td>3.500</td>
<td>.001**</td>
</tr>
<tr>
<td></td>
<td>Support for growth</td>
<td>.112</td>
<td>.074</td>
<td>.126</td>
<td>1.526</td>
<td>.128</td>
</tr>
</tbody>
</table>

F-Value=55.239, P-Value=.000, R-Square=.345

Notes. *p<.05, **p<.01, ***p<.001.

Table 8 shows the results of multiple regression analysis on the effect of servant leadership on customer orientation. The R-squared value of the regression model was .309, the explanatory power of the model was 30.9%, and the F-statistic value was 46.269, indicating that the model was significant at a 0.000 level. Respect for values and support for growth in servant leadership had a significant effect on innovative behavior, with $\beta=0.390$ ($p<0.001$) and $\beta=0.193$ ($p<0.05$), respectively. However, formation of community was not significant. Thus, to improve customer orientation, focus should be placed on respect for values and support for growth under servant leadership.

Table 8. Servant leadership influencing customer orientation

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Unstandardized B</th>
<th>Standard error</th>
<th>Standardized Beta</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation</td>
<td>Respect for values</td>
<td>.263</td>
<td>.056</td>
<td>.390</td>
<td>4.697</td>
<td>.000***</td>
</tr>
<tr>
<td></td>
<td>Formation of community</td>
<td>.004</td>
<td>.074</td>
<td>.004</td>
<td>.048</td>
<td>.962</td>
</tr>
<tr>
<td></td>
<td>Support for growth</td>
<td>.171</td>
<td>.074</td>
<td>.193</td>
<td>2.320</td>
<td>.021*</td>
</tr>
</tbody>
</table>

F-Value=46.269, P-Value=.000, R-Square=.309

Notes. *p<.05, **p<.01, ***p<.001.

5. Conclusion

The Korean and US hotel industries have both similarities and differences. Hotel managers in the US initially adopted the European style but applied to hotel leadership the values of freedom and equality based on Puritan ideas and differentiated their management style from the European style to ultimately secure global competitiveness. Korean managers of modern hotels also adopted foreign management styles and have achieved tremendous outcomes. However, Korea’s 5-star hotels have not yet achieved the competitiveness US hotels enjoy, making further research necessary.

This study aimed to suggest ways Korea’s top-class hotels can improve their global competitiveness, using as a model the developmental process of hotel leadership in the US. We conducted an expert opinion survey on hotel leaders in Korea and the US and explored the differences between their perceptions of emotional leadership and servant leadership and ways to improve organizational performance. We also conducted a quantitative study involving employees of Korea's top-class hotels to investigate the effect of emotional and servant leadership
styles on job satisfaction, innovative behavior, and customer orientation. Most participants were in their 20s, followed by those in their 30s and 40s. Most had graduated from technical college, followed by college and graduate school students, and most had majored in an area related to hospitality and tourism.

All subordinate factors of emotional leadership (i.e., relationship management, self-management, and self-perception) were found to have a significant effect on job satisfaction. Self-management and self-perception were found to significantly influence innovative behavior, and the relationship management and self-perception of emotional leadership were found to be important.

The results suggest that, to improve job satisfaction, respect for values and support for growth under servant leadership should be focused on and that innovative behavior is encouraged by respect for values and the formation of community under servant leadership. To enhance customer orientation, respect for values and support for growth should be focused on. Finally, job satisfaction and innovative behavior contribute directly to improving customer orientation.

Further research is needed to help Korea’s hotel industry differentiate itself and improve its global competitiveness by removing the dysfunctional aspects of Confucianism that emphasizes status, class ordering, and authoritarianism and also by combining leadership with Korea’s traditional cultural values. Korea’s cultural heritage has a long history and has thus accumulated various cultural tourism features. In order for Korea's local hotels to secure global competitiveness, they need to learn advanced management knowhow and leadership, improve Korean management styles, and combine hotel leadership with Korea’s traditional cultural tourism features to enhance organizational performance and competitiveness. Korea’s 5-star hotels are linked to chain hotels with US headquarters rather than to local hotels. They must establish hotel leadership that is Korean and yet global at the same time in order to advance Korea’s hotel industry.

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