

To What Extent Does Manager's Leadership Style Influence Hotel Front Liners to Become Customer-Oriented? A Study in Malaysian Small and Medium Sized Budget Hotels

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Abstract: This research seeks to examine a relationship between manager's leadership style and customer-orientation behavior of the frontline employees. Customer-orientation behaviour has been defined as the employee's tendency or predisposition to meet client's need in the job context and has become a prime variable of interest for organizations wishing to market and promote products to the customers. In hotel industry in particular, one way to improve the quality of services offered is through the prompt and courteous service quality given by the front liners, that is by adopting customer-orientation behaviour. Despite of its importance of customer-orientation to the service organizations, a complete understanding of the process and its antecedents is presently lacking. To achieve the purposes of the study, data were collected from frontline employees in small and medium sized budget hotels in Malaysia. Using a survey method, this study explores the influence of leadership styles on customer-orientation behaviour of the front liners. Hypothesized relationships are tested using survey responses from a sample of 142 hotel front liners in Malaysia. Results are compared with earlier findings and implications for future research are discussed.

Key words: Customer-orientation • Hotel • Leadership style • Malaysia • Initiation of structure
• Consideration

INTRODUCTION

In recent years, there has been a tremendous growth and development in the tourism and hospitality industry. Referring to the Malaysian context, the government started to promote Malaysia since 1990s and since then, the tourism and hospitality industry has been among the main contributor to the growth of Malaysian economy. In achieving Malaysia's aspiration to become first choice tourist destination, small and medium sized enterprises (SME) need to play a very crucial role. Based on the census conducted by the National Small Development Council, there are 519, 000 small and medium sized business establishment in Malaysia and restaurants and hotels form the largest category with 86.5% of the total

SMEs [1]. Small and medium sized budget hotel can be defined as small hotels with three-star rating and below, which include motels, back packers and home stay businesses [2]. According to [3], the industry is expecting better business for small and medium sized hotels as tourists are expected to downgrade themselves to lower star and cheaper hotels.

In the field of hotel industry, they are subject to failures in service delivery because they must depend on customer-contact employees, known as front liners to deliver service to their customers. According to [4], frontline employees play a vital role in face-to-face service encounters because they can affect customer perception of quality of services given, satisfaction and value. For this reason, literatures in service marketing have focused

on frontline employees since the attitudes and behaviours of front liners can influence customers' perceptions of the service quality and satisfaction, which in turn impacts organizational performance [5].

One of the various ways which has been focused by hoteliers to improve quality of service given to the guests is by emphasizing their front liners to become customer-oriented [6]. Customer-orientation in this context refers to the employee's tendency or predisposition to meet customer needs in the job context [7]. The extent to which customer-orientation is displayed by front liners can have an impact on the level of satisfaction experienced by customers and the quality and duration of the relationship between the company and its customers [8, 9]. In delivering service to customers, customer-oriented employees provide service as promised and continue to put customers' needs and interest ahead of his or her own. The degree of customer-orientation displayed by front liners in hotel industry can thus, be a competitive advantage for that hotel [10]. Given the importance of customer-orientation in hotel industry, therefore, it seems appropriate to choose customer-orientation as the focal variable in this study.

Literature Review

Customer Orientation Behaviour: Numerous authors such as Brown *et al.* [11], Hoffman and Ingram [12], Kelly [13], Macintosh [14], Michaels and Day [15], O'Hara *et al.* [16] and Siguaw *et al.* [17] have highlighted the antecedents of customer-orientation behavior in various setting. These researches focus on three areas: organizational, personal and role perception antecedents [18, 19, 20]. However, despite the extensive studies undertaken, results of these studies indicate that the antecedent factors being analyzed were inconclusive and tend to vary across different environment in terms of their impact on customer-orientation behaviour [21]. Recognition of the need to bridge these gaps in knowledge regarding the antecedents of customer-orientation behaviour is apparent in many calls for further empirical research [22]. As a response to these calls for research, this study investigates the antecedents of customer-orientation behavior by focusing on the role of managers in influencing front liners to become customer-oriented. Specifically, this study examines the influence of managers' leadership styles as drivers of hotel front liners customer-orientation behaviour. The role of manager's leadership styles is important to be investigated because leaderships are a tool to achieve desired results through the activities of employees.

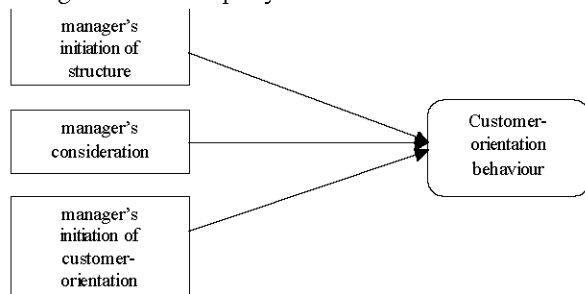
Managers' Leadership Styles: Based on the definition given by Abedi *et al.* [23], managers' leadership styles are defined as permanent and consistent patterns of behavior that manager interact with each other while working and having good understanding with subordinates or other individuals. In a recent article, Karimi *et al.* [24] define manager's leadership style as a collection of attitudes, traits and skills that manager's operating system based on for values, confidence of staff, leadership and sense of security trends in ambiguous situations. In reality, there are many different definitions of leadership but they basically include some common points. Katz and Kahn [25] in Ereiten and Duzer [26], argue that all the definitions of leadership share include (i) organizational authority, (ii) a person with certain characteristics and (iii) a certain way of acting. According to Karimi *et al.*, (2001) manager leadership role in organizations can lead in different styles to choose human resources.

According to Stock and Hoyer [27], there are three important dimensions of managers' leadership style, i.e initiation of structure, consideration and initiation of customer-orientation. Initiation of structure refers to the degree to which the manager structures and defines the leadership role and the role of subordinates concerning job-related activities, such as specifying procedures and assigning tasks [28]. Study by DeCarlo and Agarwal [29] found that initiation of structure to be more appropriate in the situation where employees have to engage in relatively multifaceted tasks as opposed to standardized tasks. Applying to the case of hotel front-liners, they experience a boundary-spanners work situation because they work at the boundary of the company by interacting with customers. Consequently, front-liners may confine in a conflict situation between customers' demands and the organization's goals, which in turn can contribute to misunderstanding or miscommunication. Thus, Stock and Hoyer (2002) noted that in order to diminish these potential conflicts, managers may take the initiative to clearly identify and recognize the roles of the front-liners. Logically, in this situation, when managers emphasized on accomplishing goals, employees will direct more attention to tasks that help accomplish goals. Employees may obtain knowledge on how to coordinate activities with other functional areas to ensure that they have sufficient resources to carry out their task [30]. Apart from that, they may also pay more attention to customers' needs because this will help them to achieve their goals. As a result, an initiative oriented leadership style may create an environment within which employees have a customer-oriented.

Another dimension of manager's leadership style that has been highlighted by Stock and Hoyer (2002) is consideration. Teas *et al.*, (1981) refers it as the level to which manager promotes a work climate of mutual trust, esteem, psychological support, helpfulness and openness, whereby the manager's behaviour is focused on the promotion of supportive work environment and pleasant relationships among employees. Daft [31] discovered that manager with high level of consideration capable to offer a facilitative environment with strong mutual psychological support, trust, respect, helpfulness and friendliness and creates a pleasant atmosphere for interaction and establish mutual interest [32]. As stated by Stock and Hoyer (2002), the basic rationale behind the positive outcomes is that managers who show concern for subordinates' welfare promote a work environment in which employees have freedom to raise questions, share experiences and develop their personality. As a result, reduces roles ambiguity and generates positive behaviour about their jobs. Therefore, we would argue that, consideration will lead to customer-orientation behaviour.

The third type of manager's leadership style that is mentioned by Stock and Hoyer (2002) is initiation of customer-orientation. They defined it as the degree to which the manager promotes customer-orientation of the employees. This aspect of style consists of the amount of efforts made by managers to demonstrate customer-oriented behaviours and highlighting the significance of customer-orientation for the company and the employees' needs. As noted by Stock and Hoyer (2002), theoretical guidance for the link between the manager's initiation of customer-orientation and employee's customer-orientation behaviour is provided by literature related to social learning theory [33]. This theory suggests that manager's behaviour is critical in influencing the employees' perspectives of the value orientation toward the customer and serving the customer [34]. Based on the literature review, the theoretical framework for this study is as below:

Manager's Leadership Styles



Hypotheses: On the basis of the literature reviewed, the following research hypotheses will guide the empirical study.

H1: The higher the manager's initiation of structure, the higher the front liner's customer-orientation behaviour.

H2: The higher the manager's consideration, the higher the front liner's customer-orientation behaviour.

H3: The higher the manager's initiation of customer-orientation behaviour, the higher the front liner's customer-orientation behaviour.

MATERILAS AND METHODS

The study's population consisted of full-time front liners working in small and medium sized hotels in Malaysia. The sample was front liners working in various small and medium sized hotels in Kuala Lumpur, Malaysia.

With the exception of demographic variables, all other variables included in this study were measured on multiple item scales drawn from previous research. Customer-orientation behaviour was measured using 5 items scale developed by Kim and Cha (2002). Leadership style is measured using 20 items. It is operationalized as three dimensions; initiation of structure, consideration and initiation of customer-orientation behaviour. These three dimensions are measured by a separate set of items. Initiation of structure was measured using seven items adapted from Teas and Horrel (1981). In order to measure consideration, five items scale by Teas and Horrel (1981) was employed. Initiation of customer-orientation behavior was measured with eight items scale developed by Stock and Hoyer (2002).

Analysis: For data collection purposes, 250 questionnaires were distributed to front liners in the selected hotels. Out of this number, 178 were returned. 36 of which were excluded because they were incomplete. Thus, a total of 142 responses were usable and used for subsequent analysis, giving a response rate of 57 percent. Table 1 presents profile of the respondents. Table 2 summarizes the reliability test of variables. As shown, the Cronbach Alphas of the measures were all comfortably above the lower limit of acceptability that is $\alpha > .60$. Hence, all the measures were highly reliable. Table 3 provides a summary of the results from correlational analysis. As shown in Table 3 correlations amongst the measures of customer-orientation behaviour and

dimensions of leadership style are positively correlated. Table 4 provides evidence of the influence of antecedent factors on customer-orientation behaviour. The F-statistic ($F=17.82$, $p<.01$) indicates that the relationship between independent and dependent variables is significant. The R^2 obtained indicates that the manager's leadership styles account for 48 percent of the variation in customer-orientation behaviour. Of all the variables included in the regression equation, all variables emerged as significant predictors of customer-orientation behaviour. Based on the results, hypotheses H1, H2 and H3 are supported. This leads to the conclusion that manager's initiation of structure, manager's consideration and manager's initiation of customer-orientation behaviour are related to customer-orientation behaviour.

Table 1: Profile of the Respondents (N=142)

Variable	Categories	N	(%)
Gender	Male	41	29
	Female	101	71
Age	Less than 20	7	5
	21-30	85	60
	31-40	38	27
	> 40 years old	12	8
Academic qualification	Certificate	77	54
	Diploma	61	43
	Bachelor's Degree	4	3

Table 2: Reliability Coefficients for the Variables in the Study

Variables	Number of items	Reliability
Customer-orientation behaviour	5	.81
Leadership style		
Manager's initiation of structure	7	.91
Manager's consideration	5	.79
Manager's initiation of customer-orientation behaviour	8	.90

Table 3: Pearson Correlations of Study Variables

	1	2	3	4	5
1	1.0				
2	.60**	1.0			
3	.53**	.66**	1.0		
4	.59**	.59**	.46**	1.0	
5	.43**	.38**	.38**	.36**	1.0

Note: * $p<.05$; ** $p<.01$

1=Customer-orientation behaviour; 2=initiation of structure;
3=consideration; 4=initiation of customer-orientation behaviour

Table 4: Summary of Multiple Regression Analysis for Factors Influencing Customer-orientation behavior

Antecedents	B	SE B	β
Manager's initiation of structure	.24	.11	.21**
Manager's consideration	.02	.11	.01**
Manager's initiation of customer-orientation behaviour	.22	.12	.43**

Note: $R^2=.48$; $F=17.82$; Sig. $F=.00$; ** $p<.01$

B=Unstandardized Coefficient; SE B=Standard error of coefficient; β =Beta coefficient

DISCUSSION AND CONCLUSION

This study reveals that the greater the managers display leadership style with initiation of structure, consideration and initiation of customer-orientation behavior, the higher the tendency of the front liners to become customer-oriented with their customers. This probably due to role modeling effect, where leaders are instrumentally involved in shaping and reinforcing the behaviour of employees through communication of certain guidelines and encourage contributions from employees [35]. Another reason is possibly because of the patronage value system in Malaysian society where manager actions/demands acts as sanctions to guide the action of employee, particularly if the employee want to progress in their career. In the case of front liners, since they worked with full supervision and are much involved in communication with management level, leadership style shown by manager such as consideration and initiation of structure and customer-orientation might encourage them to be more customer-oriented. This finding validates the work of earlier studies by Stock and Hoyer (2002) and [36] on the important role of managers in shaping values and orientation of the employees. They concluded that if employees perceive that their manager places critical importance on the customer to do everything possible to retain their business, they may likewise engage in more customer-orientation behaviour.

Specifically, this study found that manager's initiation of customer-orientation is important predictor of front liner's customer-orientation behaviour. This implies that, in order to promote customer-orientation behaviour among front liners, it should start with the effort made by the manager. Managers should make extensive efforts to communicate and market its value orientations to the employees. While this can be readily accomplished during initial training efforts, it should be reinforced on an ongoing basis to the entire work force. Being customer-

oriented begins with manager's commitment and focus to customers. Consequently, the importance of being customer-oriented needs to be communicated throughout a company.

With regards to the factors influencing customer-orientation behaviour, several inferences can be concluded from these findings. It can be concluded that antecedents of customer-orientation behaviour are quite diverse in their nature and origin. The present study suggests several factors as important determinants of a customer-orientation. Specifically, customer-orientation behaviour appears to be facilitated by the manager's leadership style s in their daily activities.

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