

**UNIVERSITI TEKNOLOGI MARA**

**AN EMPIRICAL ANALYSIS ON  
LEADERSHIP STYLES AND  
THE ROLE OF  
ORGANIZATIONAL CULTURE  
ON EMPLOYEES'  
SATISFACTION IN MALAYSIAN  
HOTEL INDUSTRY**

**NORWAHIDAH ABD.WAHID**

Thesis submitted in fulfilment  
of the requirements for the degree of  
**Doctor of Philosophy**


**Faculty of Hotel and Tourism Management**

September 2014

## AUTHOR'S DECLARATION

I declare that the work of this thesis is carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student	:	Norwahidah Abd.Wahid
Student I.D. No.	:	2006611922
Programme	:	HM990
Faculty	:	Faculty of Hotel and Tourism Management
Title	:	An Empirical Analysis on Leadership Styles and the Role of Organizational Culture on Employees' Satisfaction in Malaysian Hotel Industry.
Signature of Student	:	 .....
Date	:	September 2014

## ABSTRACT

The topics of leadership and organizational culture have fascinated considerable awareness from both academics and practitioners. The study examined the relationship of leadership style and organizational culture with employee satisfaction in the Malaysian hotel industry. As leadership style is a critical element in the success of an organization, organizational culture is also a crucial factor influencing the competitive strength of an organization. A large amount of the interest in the two areas is based on explicit and implicit claims that both leadership and culture are linked to employees' satisfaction. Although the links between leadership and performance and between culture and job satisfaction have been looked into separately, few studies have examined the correlation between the three concepts. The research also examined the leadership style used by hotel managers and the perceptions of that leadership practices by the employees relative to their job satisfaction. As for this research, two leadership style were studied (transactional and transformational leadership style) and organizational culture will be mediating the relationship between leadership style and employees' satisfaction. Organizational culture in the research perspective is defined as a common set of values and beliefs that are shared by members of an organization which influences how people perceive, think, and act. The independent variables are transactional and transformational leadership style was measured using an adapted Multifactor Leadership Questionnaire, the organizational culture as the mediating variable was measured using adapted Denison Organizational Culture Survey. The dependent variable, employees' satisfaction, was also measured using the adapted Multifactor Leadership Questionnaire. Data were collected from 300 employees from 4 and 5 star rating hotels in Klang Valley and Selangor. Four research questions along with six hypotheses were tested. The finding of this research indicated that employees' satisfaction is significantly related to the transactional leadership style used by the hotel manager. Furthermore, the research also identify that the nature of this relationship and presents empirical evidence indicated that the relationship between leadership style and employee satisfaction is mediated by the form of organizational culture that is present. Finally, the basis of this research was supported through an extensive literature review, followed by a statistical analysis to suggest conclusion and recommendation for future research.

## TABLE OF CONTENTS

	<b>Page</b>
<b>AUTHOR'S DECLARATION</b>	ii
<b>ABSTRACT</b>	iii
<b>ACKNOWLEDGEMENTS</b>	iv
<b>TABLE OF CONTENTS</b>	v
<b>LIST OF TABLES</b>	xi
<b>LIST OF FIGURES</b>	xvi
<b>LIST OF ABBREVIATIONS</b>	xvii

### **CHAPTER ONE : INTRODUCTION**

1.0	Introduction	1
1.1	Background of the study	3
1.1.1	Malaysian Hotel Industry	4
1.2	Problem Statement	7
1.3	The purpose of the Study	11
1.4	Research Objective	12
1.5	Research Questions	13
1.6	Research Model	14
1.7	Research Hypotheses	15
1.8	Significance of Study	21
1.9	Theoretical Implication	22
1.10	Practical Implication	23
1.11	Definition of Terms	24
1.12	Assumption of the Study	27
1.13	Organization of Study	28

## **CHAPTER ONE**

In chapter 1, the background of leadership, employees' job satisfaction, and culture in the hotel industry will be discussed. Chapter 1 will also cover the problem addressed in the research, the purpose of the research, and why the research is significant in general and its significance to leadership. The chapter will also include a discussion of the nature of the study, an outline of the hypotheses and theoretical framework, and the definition of some commonly used terms. Finally, the assumptions, limitations, and delimitations are presented.

### **1.0 INTRODUCTION**

The leadership skills and abilities of leaders have long been recognized as making a critical contribution (Ricketts, 2009) to the smooth operation of the various departments and the success of the hospitality industry. The leadership role is increasingly gaining attention in relation to their contributions to the employees' attitudes and relationships (Jing-zhou & Xiao-xue, 2008). The leaders are positioned in close proximity to the work itself and to the employees engaged in customer service. Thus, the way the leaders implement their leadership role can have a significant impact on the work environment and organizational commitment (O'Reilly, Caldwell, Chatman, Lapiz, & Self, 2010). The leader who positively influences the work environment and fosters the employees' organizational commitment stimulates greater achievement (Melcha & Bosco, 2010) at the department level and enhances the organization's competitive advantage.

Leadership is defined as the person who influences a group toward the attainment of the group's goals (Yulk, 2006,2010; House & Aditya, 1997;Barker, 2001; Chen, 2005; Lussier,2001). In today's world of turbulent and unstable economic conditions, it can be argued that there exists an increased