An Examination of Leadership Styles and Corporate Social Responsibility Activities in the Hospitality and Tourism Industries

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Abstract

Hospitality and tourism are claimed to bring negative impacts terms of carbon footprint, and high consumption of energy and water. Industry leaders are in a good position to influence corporate objectives and strategies, and thus play an important role in implementing CSR activities to mitigate these negative impacts. Promising data from various studies has shown that more leaders in hospitality and tourism industry value the triple bottom line of environmental, social and economic concerns to achieve sustainability.

Transformational leadership style is found to be best suited to perceive CSR among all leadership styles in hospitality and tourism organizations thus far assessed. However, the newly arising leadership style - Servant Leader - with characteristics such as awareness, foresight, persuasion, listening, empathy, stewardship, and conceptualization seems ideal to facilitate CSR activities, but has not yet been widely studied in this context.

I will suggest a construct and two instruments in identifying the leadership styles of hotel and tourism leaders and the levels of CSR activities engaged. A construct is suggested based on the four leadership systems described by Hitt's model (1990) with the inclusion of servant leadership on top of Machiavellian, bureaucratic, professional and transforming leadership. Among the two instruments suggested, the first is a questionnaire with a total of 30 statements to identify leadership styles based on the 26 statements suggested by Girodo (1998) and modified by Minett et al. (2009) with four additional statements extracted from servant leadership studies. The second instrument, which is derived from previous studies of CSR, is a measurement scale to gauge the perceptions of CSR among these leaders. With the two instruments, the impact of the five leadership styles and their perception of CSR can thus be quantified.

Keywords: corporate social responsibility; leadership style; servant leadership; hospitality and tourism industry
1) Introduction

2) Theoretical Background
   - CSR in Hospitality & Tourism
   - CSR and Leadership
   - Leadership Styles

3) Methodology
   - Construct & Measurement Scale

4) Q&A
Introduction

Hospitality and tourism industry: negative impacts to CSR & sustainability
Leaders: good position in influencing objectives & strategies

Leadership styles:

– “Transformational Leadership” style is found to be the best suit in perceiving CSR thus far
– a new arising leadership style – “Servant Leader” seems to facilitate CSR activities, but has not yet been widely assessed

This research proposal suggested: a construct & an instrument in identifying the leadership styles of hotel and tourism leaders & the levels of CSR activities engaged.
Corporate Social Responsibility

Commitment to improve community well-being through discretionary business practices and contributions of corporate resources (Kotler & Lee 2005).

A concept whereby companies integrate social, environmental, ethical & human rights concerns into their business operations and core strategy in close collaboration with their stakeholders (European Commission 2011).

CSR is about the attitude that firm adopt towards their stakeholders: customers, employees & the broader society (Economist 2008).
Pyramid of CSR (Carroll, 1991, p.42)

PHILANTHROPIC Responsibilities

*Be a good corporate citizen.*
Contribute resources to the community; improve quality of life.

ETHICAL Responsibilities

*Be ethical.*
Obligation to do what is right, just, and fair. Avoid harm.

LEGAL Responsibilities

*Obey the law.*
Law is society's codification of right and wrong. Play by the rules of the game.

ECONOMIC Responsibilities

*Be profitable.*
The foundation upon which all others rest.
our best practices

Eco-friendly F&B
Shangri-La has commenced purchasing certain eco-friendly products such as children's dining ware made of rice husk, which is now available in all resorts. Rice husks/hulls are the hard protection coverings of grains of rice. They are excellent substitutes for melamine resin, which is often used in the production of kitchenware. The product is made by heat compression and without toxic substances, and remains durable and able to withstand temperatures of between -30 degrees Celsius and 120 degrees Celsius.

Greener bathroom amenities
In July 2010, all Shangri-La hotels introduced a new line of bathroom amenities packaging made of biodegradable material known as PlaStarch. Whenever possible, internal packaging is removed without compromising hygiene or sanitary issues.

Low Temperature Laundry
In partnership with Johnson Diversey's HELP chemical washing system, 70% of hotels now carry lower temperature laundry facilities. A sustainable match between washing machine type, fabric, water consumption and temperature, this green initiative encourages the use of less chemicals and washing cycles thereby extending the linen's lifespan and increasing machine and labour productivity.
Travel with Purpose.

Conrad Hilton saw travel as a tool that could improve the world. Today, more than 140,000 team members and business partners strive to build on this legacy, operating in a responsible manner and making a positive impact on our business and communities where we live and work. Our approach is centered on four areas that guide our business and philanthropy around the world.

Our Commitment

- **Creating Opportunities**
  - We believe in supporting personal and professional growth opportunities for team members and business partners. While at the same time, we strive to deliver great guest experiences and foster a diverse and inclusive culture.
  - Learn more

- **Celebrating Cultures**
  - Our goal is to bring enriching cultural exchanges to our guests, team members, and community organizations. We’re also proud to support local heritage initiatives.
  - Learn more

- **Strengthening Communities**
  - We help the communities where we live and work to prosper through job creation, local sourcing, and economic development. Lending our time, talent, and assets helps solve community needs.
  - Learn more

- **Living Sustainably**
  - Focusing on products and programs that not only delight our guests, but also protect the world in which we live, is important to us. It’s how we provide for today’s needs while positively influencing tomorrow.
  - Learn more
Business Commitments for CSR

79% of the largest 250 global companies produce CSR reports, 61% believe it pays off (Smith, 2011).

67% of executives strongly agree that implementation of CSR initiatives provide a competitive advantage for their organization (Business for Social Responsibility, 2006).

95% of CEOs said that society has higher expectations for business to take public responsibility (Economist 2008).

87% of senior executives agree that sustainability will become more important over the next three years (EIU 2010).
CSR and Top Hotel Chains

80% of top hotel reported socially responsible activities relating to some form of charitable donations

60% report a diversity policy

40% provided some mention of CSR in their vision or mission statements

(Holcomb et al. 2007)
Benefits from Implementing CSR in Hotels

(Levy, 2011)

Hotel cost savings
Hotel reputation among guests
Hotel image among guests
Competitive advantage of hotel in marketplace
Guest loyalty
Employee motivation
Employee retention
Reduces hotel exposure to public scrutiny
Employee recruitment
Reduces threat to hotel of government regulations
What are H&T companies doing in CSR?

U.S. Travel Industry:

• Destination governance
• Green practices
• Community and social
• Education
• Business practices
• Human resources
• Transportation issues

(Sheldon & Park, 2011)
Leadership in CSR Context

- Knowledge
- Skills
- Vision
- Passion
- Action
- Impact

(Courtice, 2010)
CSR in Hospitality and Tourism - the Leaders are Committed

“The hospitality industry is embracing the concept of CSR”
(Lipman et al. 2012)

Richard Branson - Virgin
Sonu Shivdasani – Six Senses
Edwin D. Fuller - Marriott
David P. Scowsill – WTTC, Hilton
Reto Wittwer – Kempinski
Akbar Al Baker – Qatar Airways
Transformational & Transactional Leadership Styles

Groves and LaRossa (2011)

• assessed the comparative impact of on follower CSR attitudes from 97 organizations representing 13 industries in Southern California

• leader deontological ethical values (altruism, universal rights, Kantian principles, etc.) were strongly associated with follower ratings of transformational leadership

• while leader teleological ethical values (utilitarianism) were related to follower ratings of transactional leadership

• only the transformational leadership shows the association with followers beliefs in the stakeholder view of CSR, but there is no association for transactional leadership style
Transformational Leadership: charisma & intellectual aspect

Waldman et al. (2006)
• explored the transformational leadership with the engagement in CSR in companies of the United States and Canada.

• compared the engagement in CSR from different leadership styles based on two components of transformational leadership: the emotional aspect with charisma; and the intellectual aspect of intellectual stimulation.

• found that a re-conceptualization of transformational leadership which emphasizes the component of intellectual stimulation is needed, while the charismatic component in transformational leader is not significantly associated with the propensity of the company to engage in CSR.
Leadership vs Explicit & Implicit CSR

Angus-Leppan et al. (2010)

- examined the implications of different leadership styles the relationship with CSR in Australia.
- **Emergent leadership** refers to an unofficial leader who steps forward to spur CSR initiatives despite the fact that leadership or leadership in CSR is not in their job description or role;
- **Authentic leadership** refers to the behaviors that link with personal values of the leader
- **Autocratic leadership** refers to reward and punishment behavior or reliance on process and position to influence others
- **Transformational leadership** refers to leader who develops followers by inspiring and influencing them through idealized visions

- found that **explicit CSR** is linked to an **autocratic** leadership style
- **implicit CSR** is more closely aligned with **emergent and authentic** styles
- suggested that **transformational** leaders may be needed alongside **authentic** leaders when implementing CSR initiatives
# Hospitality Leadership Style

(Hitt, 1990)

<table>
<thead>
<tr>
<th>Professional Leader</th>
<th>Transformational Leader</th>
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<tr>
<td>• Focus on effectiveness, efficiency (bureaucratic) &amp; implementation of policies and procedures.</td>
<td>• Engage, encourage &amp; assist followers</td>
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<td>• Care about the application of sound management principles</td>
<td>• Act as coaches</td>
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<td>• Emphasize planning, developing, communicating, &amp; motivating</td>
<td>• Motivate people by purposely giving them more responsibility and authority</td>
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<tr>
<th>Bureaucratic Leader</th>
<th>Machiavellian Leader (Manipulative)</th>
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<tr>
<td>• Guided by a set of rules</td>
<td>• Use manipulation</td>
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<td>• Try to get rid of untrustworthiness &amp; irrationality by following firm rules</td>
<td>• Focus on power and control</td>
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<td>• Control subordinates by influencing their salaries, promotion, rewards &amp; disciplinary measures.</td>
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<td></td>
<td>• Lack of trust, no genuine relationship between leader &amp; follower</td>
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Hospitality Leadership Style & Ethical Decision Making

Minett, et al. (2009):

• Examined the ways in which 91 hospitality leaders in Australia seek to influence others in the workplace.

• Findings:
  – the prevailing leadership styles are a blend of Machiavellian & Bureaucratic styles in Australia
  – Machiavellian leaders are less ethical than other leaders
CSR Perceived by Different Hospitality Leadership Style


- Investigate how social responsibility is perceived by 107 hotel managers in Hong Kong with different leadership orientations.

- Findings:
  HK hotel managers (4 types):
  1. professional style with transformational touch
  2. bureaucratic styles with Machiavellian touch
  3. transformational with bureaucratic touch & Machiavellian style
Leadership Styles in Hospitality & Tourism Industry

Early Theories

Great Man Theory

Behavioral Theories – Leadership Styles (Blake & Mouton’s Managerial Grid, 1964)

Past Quarter Century

Contingency Theories
(Fiedler, 1967; Hershey & Blanchard’s situational leadership model, 1988)

Transformational Leadership
(Bass 2000; Bennis 2002; Tichy & Ulrich 1984; Yammarino, Spangler, & Bass 1993; Avolio & Gardner 2005)

Servant Leadership
(Greenleaf, 1970; Barbuto & Wheeler 2006; Farling, Stone, & Winston 1999; Russell & Stone 2002)

(Brownell, 2010)
Leadership and CSR

• Most leaders in H&T value sustainability and CSR activities

• There are many international hotel chains that implement concrete CSR activities

• The transformational leadership style is best suited to create sustainable H&T companies – however many leaders have different styles

• The new arising leadership style (Servant Leader) seems to facilitate CSR activities, yet none of the studies have included and tested on servant leadership style
Servant Leadership

• Greenleaf (1970)
• Spears (1998)
• Barbuto and Wheeler (2006)
• Sendjaya et al. (2008)
• Liden et al. (2008)
• van Dierendonch and Nuijten (2011)
• Boone and Makhani (2012)
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1. Servanthood
2. Authenticity
3. Commitment
4. Visionary
5. Persuasion
6. Conceptualization
7. Awareness
8. Stewardship
9. Empathy
10. Empowerment
11. Community builder
Servanthood

• to encourage greatness in others (Greenleaf, 1970, p.2)

• the willingness to serve others voluntarily; ‘being’ (and not ‘acting’) as a servant if there is a legitimate need (Sendjaya et al., 2008)

• self-sacrifice may required (Liden et al., 2008)

• stands back and gives priority to others first and retreat into the background when task has been accomplished (van Dierendonch & Nuijten 2011)
Authenticity

• to be who they are in their professional as well as personal lives (Smith, 2005)

• being true to oneself, interacting openly, fairly, and honestly with others (Liden et al., 2008)

• accurately represent the internal states and intentions privately and publicly (van Dierendonch & Nuijten 2011)
Commitment

• is the deep-rooted desire and spirit consistent; deeply commitment to the growth of each and every individual within his or her organization" (Spears, 1998; Barbuto & Wheeler, 2006)

• as Greenleaf suggested, the servant leader shall be “able to weld a team of such people by lifting them up to grow taller than they would otherwise be” (1970, p. 14)
Visionary

• to understand the lessons from the past, the realities of the present, and the likely consequence of a decision for the future, and express the visions to unify, energize, attract and guide followers, making sure followers know what is expected from them (Spears, 1998; Boone & Makhani, 2012)

• offering compelling reasons to get others to do things (Barbuto & Wheeler, 2006)
Persuasion

• the ability to persuade, convince and influence others instead of using coercion (Spears, 1998)

• utilizes personal, rather than position power, to influence followers and achieve organizational objectives (Smith, 2005)

• gentle but clear and persistent persuasion, and does not exert group compliance through position power (Greenleaf, 1970)
Conceptualization

• conceives solutions to problems that do not currently exist (Greenleaf, 1970)

• possesses of knowledge, having the ability to look at problems, organize and conceptualize into perspectives and tasks (Spears, 1998; Liden et al., 2008)
Awareness

• awareness is a disturber and an awakener, servant leaders are usually sharply awake and reasonably disturbed, realize the limitations and seek contributions of others to overcome those limitations (Greenleaf, 1970; Spears, 1998; van Dierendonch & Nuijten 2011)

• leaders shall aware of surroundings and anticipate of consequences (Barbuto & Wheeler, 2006)
Stewardship

• manage the needs of followers by letting the followers know the leader is serving them, working with them, providing support and mentoring all the way (Liden et al., 2008; Boone & Makhani, 2012)

• act as a role model (van Dierendonch & Nuijten 201).
Empathy

• show sensitivity to others’ personal concerns and good intentions (Spears, 1998; Liden et al., 2008)

• be a good listener and willing to spare time and effort in listening to all verbal and non-verbal signals and interpret what the others are saying (Spears, 1998; Boone & Makhani, 2012)

• sympathetically recover others from hardship (Barbuto & Wheeler, 2006)
Empowerment

- refers to giving followers ability to practice power, encourage and facilitate followers to realize their potential and abilities (Liden et al., 2008; Boone & Makhani, 2012)

- nurturing participatory, empowering environments, and encouraging the talents of followers (Smith, 2005)
Community builder

• establishes the sense of community among followers who jointly liable for each other to perform function (Smith, 2005)

• bringing together the right people, help in developing a productive community (Spears, 1998; Liden et al., 2008; Boone & Makhani, 2012)

• making sure the well-being of the community and leave things better than found (Barbuto & Wheeler, 2006)
Leadership Style Measurement Scale

- A total of 30 statements to measure the five types of leadership style.
- 26 statements suggested by Girodo (1998) which based on Hitt’s four systems of leadership (1990) & were modified by Minett et al. (2009) to match with the hospitality context.
- The statements were tested by Guillet et al. (2012) in measuring the four styles of leaders: Machiavellian leader, bureaucratic leader, professional leader and transformational leader.
- 4 additional statements which indicate the exclusive servant leadership style are suggested.
Machiavellian Leadership Style

M1: In my job I never reveal too much about myself, but try to learn as much as I can about the other person.

M2: As a manager, I never reveal too much about myself, but try to learn as much as I can about the other person.

M3: In my job, I have found it important to always appear confident and self-assured, even when at first I have little idea about something.

M4: In making a decision affecting other people, I always make sure I have some room to maneuver just so that I don’t back myself into a corner.

M5: Being able to influence salaries, promotion, and rewards and disciplinary measures is an important way to keep subordinates “on their toes”.

M6: I see part of my effectiveness to be dependent upon the personal relationships I develop with those who have power.

M7: It is important to cultivate certain relationships and to align yourself with those who have influence if you want to succeed.

M8: An important requirement for success in my job is to gain the kind of power needed to control things and shape events.
Bureaucratic Leadership Style

B1: In terms of dealing with subordinates in my job, the best tool is the operations manual which details how rules are to be followed.

B2: If I could promote people, their seniority and achievement would be the most important elements to consider.

B3: A good manager is serious about seeing to it that deviations from the rules are dealt with immediately, firmly, and consistently.

B4: In my job, having a hierarchical organization of offices with clearly defined lines of authority is essential for being effective.

B5: It is important that I make my unit function efficiently and run like clockwork, never mind the personalities involved.

B6: In my job, I insist on my subordinates having a clear job description, functions, and responsibilities.

B7: I want to be remembered for my ability to have accomplished objectives and to have produced specific results.

B8: I see my job principally in terms of setting objectives and seeing to it that they are met in an organized and orderly way.
Professional Leadership Style

P1: In my job I have learned that managing other people is a profession and ought not to be left up to just anybody who thinks they merit a promotion.

P2: Managing other people is a profession and ought not to be left up to just anybody who thinks they merit a promotion.

P3: I am most effective in my job when I apply sound management principles.

P4: To get things done, in my job I emphasize planning, developing, communicating and motivating.
Transformational Leadership Style

T1: One of the best ways I can do my job is to appeal to the values and motives of the people who are below me.

TS2: It is important to me to take pleasure in the growth and self-development of people under me.

TS3: In my job, to be really effective I have to look at people in terms of their potential.

TS4: In the long run, I could be most effective as a manager if I acted more like a coach.

TS5: I want my effectiveness to be judged in terms of the well-being of the lives of the people I have touched.

TS6: In my job, I actually motivate people by purposely giving them more responsibility and authority to get things done.
Servant Leadership Style

S1: I prefer to keeps myself in the background and give credits to others than getting recognition or rewards for myself.

S2: I often touched by things and reveal my true feelings for things that happening around me.

S3: I capture leadership opportunities by taking suggestions from people and encourage them in decision making.

S4: I prefer not to use my position power and I prefer to spend time to explain and persuade people to have their support in doing things.
Perceptions of CSR & Leadership Style

A questionnaire can be prepared and quantify the styles of hospitality and tourism leaders in measuring the impact of the five leadership styles and their perception of CSR by incorporating:

- 30 statements suggested
- the CSR perception statements
- the demographic details of the demographic & corporate information
References


References

References

Thank you!