
**EFFECT OF LEADERSHIP QUALITIES ON PERFORMANCE OF
HOSPITALITY INSTITUTIONS: A CASE STUDY OF ACACIA PREMIER
HOTEL, KISUMU**

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Publication Date: March 2024

ABSTRACT

Study Objective: This study aimed at investigating the effect of leadership qualities on organizational performance in hospitality industry. The study was conducted at Acacia Premier Hotel in Kisumu Central Sub-County. The specific objectives of the study were to: assess the effect of integrity on organizational performance; determine the effect of competency on organizational performance; and investigate the effect of commitment on organizational performance.

Methodology: The study was informed by Transformational Leadership Theory and Competency Theory of Leadership. The study adopted a case study research design with a target population of 29 employees. Census was used to reach the various respondents. Data was collected through structured questionnaires. Collected data was edited, coded and verified in order to detect and correct any error. Data was analyzed using descriptive statistics and presented through tables and pie charts.

Results and findings: The results showed leadership qualities bring behaviors, which affect organizational performance. Management leadership qualities were observed to be one of major reasons for the success of the organization. Leadership qualities were also found to be key factors for the growth of the organization.

Conclusions and Recommendations: The study concluded that leadership qualities acts as source of motivation to the employees and thus promotes performance. It was therefore recommendation that the management should provide leadership that satisfies the needs of employees. It is worth carrying out similar research in other hospitality institutions to see if the results replicate the findings of this study.

Keywords: *Leadership Qualities, Performance & Hospitality Institutions*

1.1 Introduction

Leadership plays a pivotal role in guiding an organization towards its goals, not limited to those in formal managerial positions, as influence can also emerge informally within a group (Kotter, 2011). While management focuses on handling complexity and ensuring consistency through planning and monitoring, leadership contrasts by addressing change, setting future directions, and inspiring people to overcome challenges (Robert, 2012; Fiedler, 2012). The early leadership theories concentrated on finding a singular effective leadership style, but were limited by their neglect of the situational factors that significantly impact a leader's effectiveness, leading to the development of situational and contingency theories (Mullins, 2011; Robert, 2012).

Leadership's essence lies in motivating and influencing team members to realize their potential towards a collective vision, with the quality of leadership substantially affecting team dynamics and individual performance (Ngambi, 2011; Jeremy et al., 2011). Leadership styles within an organization crucially impact employee engagement and commitment, with a significant correlation between leadership approaches and organizational performance (Obiwuru, 2011; Akpala, 2014). Transformational leadership, in particular, emphasizes the growth and development of employees, aligning their personal goals with organizational objectives and fostering an adaptive, innovative work culture (Ismail et al., 2011; Azka, 2011).

The concept of leader-member relations underscores the importance of trust, loyalty, and support between leaders and their teams, essential for achieving organizational goals (Mahoney, 2010). Organizational performance is multifaceted, encompassing financial outcomes, market presence, and shareholder value, with effectiveness also gauged through operational and strategic success. Utilizing comprehensive measures like the balanced scorecard helps organizations monitor and manage performance across various dimensions, including financial results, customer satisfaction, social responsibility, and employee well-being (Richard et al., 2015).

1.2 Statement of the problem

Management are sometimes baffled when their highly-rated employees under-perform and others resign and leave the organization. Acacia Hotel Management fails to understand why some the employees are not committed to the organization even though they have proactively implemented fair compensation policies and human resource practices to motivate and retain them. It becomes costly for the hotel because of non-committed employees towards jobs. Lack of motivation to exercise their full potentials is therefore manifested. The hotel has been engaged in scrutinizing the integrity, competency and commitment of management to ascertain how they have been manifested in the organization. It is because of this that the study sought to determine the effect of leadership qualities on organization performance in the hotel.

1.3 Objectives of the study

The general objective of the study was to investigate the effects of leadership qualities on organization performance at Acacia Premier Hotel.

The Specific objectives of the study were to;

- i. To assess the effect of integrity on organizational performance at Acacia Premier Hotel, Kisumu
- ii. To determine the effect of competency on organizational performance at Acacia Premier Hotel, Kisumu

- iii. To examine the effect of commitment on organizational performance at Acacia Premier Hotel, Kisumu

1.4 Research Questions

- i. How does integrity affect organizational performance at Acacia Premier Hotel, Kisumu?
- ii. What is the effect of competency on organizational performance at Acacia Premier Hotel, Kisumu?
- iii. To what extent does commitment affect organizational performance at Acacia Premier Hotel, Kisumu?

2.1 Theoretical review

2.1.1 Transformational Leadership Theory

Transformational Leadership Theory by Bass and Riggio (2006) suggests that effective leaders can inspire and motivate their followers to exceed their own self-interests for the good of the organization, leading to improved performance. Transformational leaders are characterized by their ability to demonstrate integrity, competency, and commitment, among other qualities (Bass & Riggio, 2006). They foster an environment where creativity and innovation can flourish by setting high standards and being role models. This theory might help explain how leadership qualities like integrity, competency, and commitment at Acacia Premier Hotel could lead to enhanced organizational performance by promoting higher levels of motivation and engagement among employees.

2.1.2 Competency Theory of Leadership

Competency Theory of Leadership by Hollenbeck, McCall and Silzer (2006) emphasizes the importance of specific leader competencies - including knowledge, skills, and abilities - in achieving effective leadership and, consequently, high organizational performance. Competencies can be developed over time and are crucial for leaders to respond effectively to changes in the environment and within the organization itself. In the context of your study, exploring how the competency of leaders at Acacia Premier Hotel impacts organizational performance could provide insights into the specific skills and knowledge areas that are most influential in driving success within the hospitality industry.

2.2 Empirical review

Integrity is fundamental to individual and organizational performance, encompassing traits such as honesty, ethical behavior, and reliability. It forms the core of leadership models, like the Turknnett Leadership Character Model, where integrity is deemed essential for successful leadership, emphasizing the balance between respect and responsibility. High integrity in professionals fosters trust, which is crucial for the professional success and teamwork within an organization. Corporations that prioritize integrity in their culture and leadership tend to outperform others, as integrity leads to a more productive work environment, team cohesion, and corporate loyalty (Turknnett, 2011; Quigley, 2015; Kouzes & Posner, 2010).

Competency, encompassing knowledge, skills, and behaviors, is vital for achieving competitive advantage and organizational performance. It's the human capital, rather than physical assets, that

drives productivity and value creation. Organizations focus on developing competencies through human resource management practices, which have a more pronounced effect on organizational performance than on individual performance. Competency models are widely utilized to align employee skills with organizational goals, highlighting the significance of a unified approach in HRM to improve job and organizational performance through competency development (Hay Group, 2014; Ichniowski et al., 2011; Rao, 2012; Carretta, 1992; Office of Civil Service Commission, 2013).

Employee commitment is crucial for minimizing withdrawal behaviors like absenteeism and turnover, and is essential for embracing change and sustaining organizational performance. A committed workforce is recognized as a key asset, contributing to competitive advantage and superior performance through their dedication and pursuit of organizational goals. This commitment is fostered by creating an environment that supports employee engagement and development, thereby enhancing both individual satisfaction and collective organizational success (Lo, 2012; Zheng, 2014; Ali, 2010; Akintayo, 2011; Tumwesigye, 2011; Hunjra, 2012).

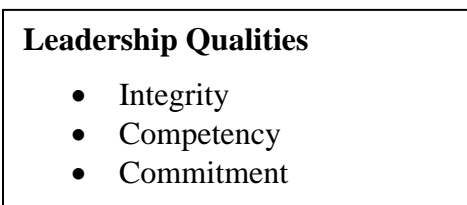
The review underscores the importance of leadership qualities, particularly transformational leadership, in motivating employees beyond their self-interests towards broader organizational objectives. Transformational leaders are pivotal in navigating organizations through changes, fostering innovation, and achieving greater performance by inspiring followers with a vision of the future and aligning individual goals with organizational aims. The rapid pace of technological advancements and globalization necessitates leaders who can adapt and drive innovation within their organizations (Jandaghi et al., 2011; Jung et al., 2013).

However, existing literature, particularly in contexts outside the Kenyan business environment, may not fully address the nuances of leadership qualities within the hospitality industry, highlighting a gap in understanding the role of leadership qualities like integrity, competency, and commitment in enhancing organizational performance in this sector. This points to the need for targeted research to explore how these leadership attributes contribute to organizational success in the hospitality industry, considering the unique challenges and opportunities it presents (Ponnu & Chuah, 2013).

2.3 Conceptual framework

This conceptual framework illustrates the relationship between independent and dependent variables.

Independent variables



Dependent variables

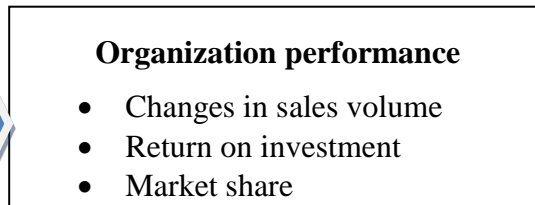


Figure 1: Conceptual framework linking leadership qualities to organization performance

Figure 1 is a conceptual framework linking leadership qualities to organization performance. Leadership qualities are the independent variable while organization performance is the dependent variable. The elements of leadership qualities which are believed to influence organization performance; are integrity, competency and commitment

3.1 Research Methodology

The study adopted a case study research design in which an in depth study of members of the population was conducted in order to determine their state. This approach was adopted to enable the researcher get and analyze relevant information concerning employee’s opinions about the effect of leadership qualities on organization performance at Acacia Premier hotel.

The target population for this study was 29 employees working within different departments in organization. The researcher narrowed down to Acacia Premier hotel as the case study. Census was used to reach the respondents. The target population was grouped into nine: front office, food production, accounts, human resource, housekeeping, marketing, procurement, security, food and beverage and maintenance departments. According to (Mugenda and Mugenda, 2010), where time and resources allow a researcher should take as big sample as possible with a large so as to be confident that if another sample of the same size were to be selected, findings from the two samples would be similar to a high degree.

Table 1: Distribution of sample size

Department	Number of respondents	Percentage number of respondents
Food production	3	10
House keeping	4	14
Marketing	5	1
Procurement	3	10
Accounts	3	10
Food and beverage	3	10
Maintenance	4	14
Human resource	2	7
Security	2	7
Total	29	100

This study used primary data to collect the data. Primary data collection includes raw data that was collected from the employees through questionnaires. Data collected through the questionnaires was cleaned and coded for analysis. It was analyzed quantitatively and qualitatively. Quantitative data was analyzed through the use of descriptive statistics. Microsoft Excel package was used in analyzing and presenting the quantitative data.

4.1 Results and Findings

4.2 Commitment and organization performance

The researcher sought to ask the respondents under the study whether employee commitment affects organization performance. The findings were as shown in the Table 2.

Table 2: Effect of commitment on organization performance

Commitment and organization performance	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
Working hard leads to good performance	14(48%)	9(31%)	2(7%)	4(14%)	0%
Working hard leads to high productivity	11(38%)	5(17%)	6(21%)	3(10%)	4(14%)
Generally, speaking I'm very satisfied with this job	13(45%)	7(24%)	4(14%)	3(10%)	2(7%)
Even if the hotel were not doing well financially, I would be reluctant to change to another company	10(34%)	8(28%)	6(21%)	5(17%)	0%

The findings in table 2 shows that out of 29 respondents interviewed, 48% (14) of the respondents strongly agreed that working hard leads to good performance, 31% (9) agreed, 7%(2) were undecided, 14%(4) of the respondents disagreed while none disagreed strongly disagreed. The respondents further gave their views on whether working hard leads to high productivity, 38% (11) argued that working hard leads to high performance, 17% (5) agreed, 21%(6) of the respondent were undecided, 10%(3) disagreed while 14% (4) strongly disagreed. On whether employees are satisfied with their job, 45% (13) strongly agreed, 24% (7) agreed, 14% (4) were undecided, 10% (3) of the disagreed while 7% (2) strongly disagreed. Lastly, on whether the employees are committed to the organization; 34% (10) of the respondents strongly agreed that commitment improves organization performance, 28% (8) agreed, 21% (6) of the respondents were undecided, 17% (5) disagreed while none strongly disagreed. The respondents argued that, committed employees are highly motivated to contribute their time and energy to the pursuit of organizational goals is increasingly acknowledged to be the primary asset available to an organization.

In the case of integrity on organization performance, the results were that out of the 29 respondents that took part in the study, 13(45%) of the respondents strongly agreed that employee training has a great effect on performance; 9(31%) agreed that employee training had affected performance to a moderate extent, 5(17%) of the respondents said to a small extent while 2(7%) of the respondents said it does not affect. The respondents argued that integrity is considered as the most significant and lucrative resources of an organization.

The study also sought to find out whether the respondents agreed that employee competency had contributed to organization performance. Of the 29 respondents that were interviewed, 14(48%) of the respondents strongly agreed that competency has a great effect on performance; 9(31%)

agreed that employee competency had affected organization performance, 2(7%) of the respondents had neutral position, 4(14%) of the respondents disagreed while none of the respondents strongly disagreed. The respondents argued that competency correlates with job performance, which can be measured and enhanced through training.

The researcher finally sought to know if the respondents agreed that employee commitment had contributed to organization performance in the organization. Out of the 29 respondents that took part in the study, 48% (14) of the respondents strongly agreed that working hard leads to good performance, 31% (9) agreed, 7% (2) were undecided, 14%(4) of the respondents disagreed while none disagreed strongly disagreed. The respondents further gave their views on whether working hard leads to high productivity, 38% (11) argued that working hard leads to high performance, 17% (5) agreed, 21%(6) of the respondent were undecided, 10%(3) disagreed while 14% (4) strongly disagreed. On whether employees are satisfied with their job, 45% (13) strongly agreed, 24% (7) agreed, 14% (4) were undecided, 10% (3) of the disagreed while 7% (2) strongly disagreed. The respondents argued that, committed employees are highly motivated to contribute their time and energy to the pursuit of organizational goals is increasingly acknowledged to be the primary asset available to an organization.

5.1 Conclusions

Employee integrity was observed as an important factor affecting performance. This was evident from the overwhelming number of respondents who supported it as an important component.

Competency models helps organizations to take a more unified and coordinated approach in designing improvements in HRM systems, including job redesign, recruitment, organizational learning, career management, performance improvements and compensation systems.

Employee commitment has become one of the most popular work attitudes studied by practitioners and researchers. Committed employees who are highly motivated to contribute their time and energy to the pursuit of organizational goals are increasingly acknowledged to be the primary asset available to an organization.

6.1 Recommendations

Based on the findings of the study, the following are the researchers' recommendations. This study shows that leadership qualities are quite essential in companies related to the service sector. In this study it has been examined how a firm grows towards success and how it achieves its goals and targets. The role of the CEO in the case company in relation to success was discussed. This study also explains the different leadership qualities and their effect on organization performance.

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