SERVANT LEADERSHIP AND EMPLOYEE SATISFACTION IN THE HOSPITALITY INDUSTRY IN SOUTH AFRICA

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ABSTRACT

The main objective of this study was to investigate the impact of servant leadership on employee's satisfaction in the hospitality industry. A quantitative approach was used, and a self-administered questionnaire was employed during the data collection process. Correlation and regression analyses were performed to determine the relationship between servant leadership and employee's satisfaction. The Cronbach's alpha was used as a measure of reliability. The results of the study revealed that servant leadership significantly positively impacts on employee's satisfaction in the hospitality industry. While existing studies have explored the indirect effect of servant leadership on employee attitudes through diversity climate, this study investigated the impact of servant leadership on employee's satisfaction in the hospitality industry. Recommendations to improve the leadership in the hospitality are suggested. These recommendations offered meaningful insights into hotel owners, government, nongovernment organisations and other organisations for the improvement of their businesses while providing room for future research studies.

Keywords: Servant Leadership, Employee Satisfaction, Social Exchange Theory, Hotel Industry, South Africa.

1. INTRODUCTION

The hospitality industry in South Africa plays a crucial role in driving economic growth and promoting tourism in the country (MPRSA, 2018). The success of this industry heavily relies on the satisfaction of its employees, who are responsible for delivering exceptional service to guests. One management approach that has emerged as a potential means to enhance employee satisfaction is servant leadership. Servant leadership focuses on developing and empowering employees, prioritizing their needs, and fostering a sense of community within an organization (Greenleaf, 1977). This leadership style has gained attention in various industries, including hospitality, due to its potential positive impact on employee satisfaction and overall organizational performance (Farling, Stone & Winston, 1999). Servant leadership refers to the type of leadership that emphasizes *"service"* and puts the satisfaction of employees' needs in the first place (Hoch et al., 2018; Van Dierendonck, 2011). They can influence their subordinates by serving and helping them develop their sense of service and behaviour (Bauer et al., 2019). By providing employees with role models and necessary guidance and training, servant leaders can pass on their characteristics of "service" to employees and help them grow into service-oriented employees (Lemoine et al., 2019).

In recent years, there has been growing recognition of the significance of employee satisfaction in the hospitality industry. According to a study by DeRoos & Kusluvan (2014), employee satisfaction is crucial in enhancing overall organizational performance and productivity in the hospitality sector. Employees who are satisfied with their jobs are more motivated, engaged, and committed to their organizations, leading to improved customer service and guest satisfaction (Kiran et al., 2016). Employee satisfaction plays a crucial role in the success of the hospitality industry. When employees are satisfied, they are more likely to exhibit higher levels of motivation, commitment, and productivity (Bai et al., 2014). This, in turn, leads to improved customer service and increased customer satisfaction (Bai et al., 2014). Satisfied employees are also more likely to stay with the organization for a longer period of time, reducing turnover rates and the associated costs of recruitment and training (Tsaur et al., 2016).

Besides, Eva et al. (2018) meta-analysis of existing literature shows that servant leadership could effectively stimulate the employees' positive behaviours, such as organizational citizenship behaviour, innovative behaviour, helping behaviour and voice behaviour. Hence, we argue that servant leadership is likely to have a significant positive impact on employees' satisfaction. For this reason, employee satisfaction indicators that not only on job satisfaction, but also policies of compensation, career development and working environment and condition have been adopted as the most capable and comprehensive measures of employee satisfaction. The study aims to examine the impact of servant leadership on employee's satisfaction in the hospitality industry.

2. THEORETICAL BACKGROUNDS AND HYPOTHESES DEVELOPMENT

The Social Exchange Theory (SET) (Blau, 1964) follows the norm of reciprocity in which servant leaders focus on the development of followers and followers reciprocate the positive behaviour of the leader with positive behaviours of their own. Based on the argument by Greenleaf (1991) that servant leaders tend to transform followers into servant leaders themselves, researchers have examined the transforming effects of servant leaders on changing the mindsets and behaviours of followers. The SET provides a strong link between servant leadership and employee satisfaction because servant leaders promote friendship, respect and warmth relationship among the employees and employees in return are more committed to the organisation, care about the quality of their work and their work is more productive.

Servant leadership and job satisfaction

Research suggests that when leaders adopt a servant leadership style, it positively influences employee job satisfaction (Thomas, 2015). Servant leaders prioritize the needs and development of their followers, creating a supportive and nurturing work environment (Liden et al., 2014). Such leadership fosters greater job satisfaction as employees feel valued, empowered, and engaged in meaningful work (Parris & Peachey, 2014). Understanding this relationship is essential for organizations to enhance employees' overall well-being and satisfaction, thereby improving performance and retention rates (Van Dierendonck, 2011).

Servant leaders enhance followers' self-efficacy and meaning through empowerment as one of the keys to make employees accomplished job satisfaction levels (Cheng et al., 2020; Erkutlu & Chafra, 2015; Stouten & Liden, 2020; van Dierendonck et al., 2014). Job satisfaction is a feeling or situation that is pleasant or positive about the work. Job satisfaction describes to what extent a person feels comfortable and satisfied with his/her job (Ali, 2016). The satisfaction and dissatisfaction of employees with their job will determine the subjectivity of their perspective on their work (Hajdukova et al., 2015). Choosing the right leadership style will result in a high job satisfaction level (Kim et al., 2020; Sun & Xia, 2018). Generally, servant leadership has a positive relation with job satisfaction (Farrington & Lillah, 2019). We hypothesised that:

H1: There is a significant positive relationship between servant leadership and job satisfaction of employees in the hospitality firm.

Servant leadership and policies of compensation and benefit

According to Greenleaf (1977), servant leadership encourages leaders to prioritize the needs of their followers and help them develop their full potential. This approach can be further reinforced by adopting compensation policies that emphasize fairness, transparency, and rewarding contribution and collaboration (Jenkins, 2020). By aligning compensation practices with servant leadership principles, organizations can create a work environment that fosters trust, encourages teamwork, and ultimately leads to greater employee satisfaction and productivity. When leaders adopt a servant leadership approach, where their main focus is on serving and supporting their employees, it can positively impact compensation policies. According to Aboagye et al. (2016), when employees perceive a leader's genuine concern for their well-being, it can foster a sense of trust and commitment, ultimately influencing the design and implementation of compensation policies to ensure fairness and equity. This alignment between servant leadership and compensation policies can contribute to enhancing employee satisfaction, motivation, and overall organizational performance.

When employees see themselves in conditions of social exchange, such as receiving fair pay, they become more involved in the organization and are willing to exhibit affective commitment which includes greater loyalty to this organization, consequently to the leader as well (Duky, 2015; Winston et al., 2008). This is the most important variable for employee satisfaction. Compensation can be described as the amount of reward that a worker expects from the job (Sageer et al., 2021). Employees should be satisfied with competitive salary packages, and they should be satisfied with it when comparing their pay packets with those of the outsiders who are working in the same industry. A feeling of satisfaction is felt by attaining fair and equitable rewards. We hypothesised that:

H2: There is a significant positive relationship between servant leadership and policies of compensation and benefit of employees in the hospitality firm.

Servant leadership and career development

According to Northouse (2016) explains that servant leadership is that followers become more effective in completing their jobs and fulfilling their job descriptions. For organisations, servant leadership affects the way organizational teams' function. Servant leadership puts primary emphasis on the needs and desires of the followers before the needs of the leader and emphasizes personal development and empowerment of followers (Wirawan, 2014). Career development is a series of activities throughout life that contribute to the exploration, establishment, success, and fulfilment of one's career (Soedarso, 2015). Aulia et al. (2021) point out the importance of career development and servant leadership for employees within the organisational scope of the company where they work is very important to implement because it will lead to or create job satisfaction felt by employees which will ultimately lead to improving employee performance and the company's organization as a whole.

Creating a supportive work environment is crucial for individual career development. According to Jansen & Von-Glinow (2014), employees thrive in environments where they perceive their leaders as supportive and caring. Additionally, Dierendonck & Nuijten (2020) suggest that servant leadership, which emphasizes the well-being and growth of employees, fosters an atmosphere of trust and support, leading to increased job satisfaction and career development. We hypothesised that:

H3: There is a significant positive relationship between servant leadership and promotion and career development of employees in the hospitality firm.

Servant leadership and working environment and condition

Servant leadership behaviours appears to be what the hospitality industry need to effectively lead their organisations in today's challenging times (McCann et al., 2014). According to Suwati et al. (2016) employees performance is influenced by a lot of aspects such as: motivation, work environment and leadership in the agency. An employee's workplace environment is a key determinant of the quality of their work and their level of productivity (Al-Omari & Okasheh, 2017). Employees are highly motivated with good working conditions as they provide a feeling of safety, comfort and motivation (Sageer et al., 2021). On contrary, poor working condition brings out a fear of bad health in employees. The more comfortable the working environment is more productive will be the employees (Al-Omari & Okasheh, 2017).

Although the concept of work-life balance has gained significant attention in recent years, there is still a need for further enhancement in this area. Research conducted by Bond & Haynes (2014) suggests that promoting work-life balance is essential for improving employees' overall well-being and job satisfaction. Additionally, Gomà-i-Freixanet et al. (2018) argue that a better work-life balance leads to higher productivity and reduced turnover rates in the hospitality industry. Therefore, it is imperative for organizations to prioritize and implement strategies that support work-life balance for their employees. We hypothesised that:

H4: There is a significant positive relationship between servant leadership and leadership styles in the hospitality firm.

3. METHODOLOGY

This study followed the quantitative research design. Probability sampling was deemed suitable for this study because of the availability of a sample frame, all prospective respondents had an equal chance being considered as a sample (Yang et al., 2020). Simple random sampling was used to obtain a sample for this study. Self-administered questionnaires were employed during the data collection process. The questionnaire items were based on the five-point Likert Scale with "1 strongly disagree and 5 strongly agree" and adapted from previous studies (Jones, 2012; McCann et al., 2014). The participants in the survey were employees in the hospitality industry Capricorn and Fetakgomo-Tubatse municipality in the Limpopo Province of South Africa. The participants were randomly sampled. The questionnaire was pre-tested with twenty employees in the hospitality industry in a pilot study. Correlation and regression analyses were performed to determine the relationship between servant leadership and employee satisfaction and the Cronbach's alpha was used as the measure of reliability.

4. RESULTS

4.1 Response rate and biographical details

Three hundred and fifty questionnaires were distributed, and one hundred and sixty-five questionnaires were returned. The gender composition of the respondents was seventy-three males and ninety-two females. All the respondents were between 21 and 60.

Table 1. Correlation of servant leadership and employee satisfaction

Variable		Servant leadership
Job satisfaction	PearsonCorrelation	0.751
	Sig. (2-tailed)	0
Policies of compensation and benefit	Pearson Correlation	0.635
	Sig. (2-tailed)	0
Career development	Pearson Correlation	0.684
	Sig. (2-tailed)	0.001
Working environment and condition	Pearson Correlation	0.678
	Sig. (2-tailed)	0

Correlation is significant at the 0.05 level (2-tailed)

Table (1) points out a positive correlation between servant leadership and employee satisfaction, which is highlighted with job satisfaction (r=0.751, p<0.05), policies of compensation and benefit (r=0. 0.635, p<0.05), career development (r=0.648, p<0.05) and working environment and condition (r=0.678, p<0.05). The results of Pearson correlation between servant leadership and employee's satisfaction are very strong since the Pearson's r values are closer to 1. The results conclude that changes in servant leadership strongly correlates with changes in the employee satisfaction in hotels. This is supported by the sig. value of less than 0.05, confirming a positive correlation between servant leadership and employee's satisfaction in the hospitality industry. Through this research it has been acknowledged that servant leadership and employee satisfaction are strongly correlated, and findings are consistent with (Jones, 2012; Mohammad et al., 2011). Furthermore, a quantitative analysis by Smith et al. (2020) highlighted the positive correlation between fair compensation policies and employee motivation, engagement, and overall satisfaction with benefits. These findings suggest that organizations should adopt servant leadership principles and establish equitable compensation structures to enhance employee benefits.

Table 2. Linear regression of servant leadership and employee satisfaction

Variable	Unstandardised B	Standard error	Beta	t-value	Sig.
Job satisfaction	0.012	0.268	0.334	0.061	0.01
Policies of compensation and benefit	0.243	0.17	0.183	1.168	0.002
Career development	0.21	0.182	0.21	1.631	0.001
Working environment and condition	0.454	0.241	0.24	1.542	0.007
SIG<0.05					

Table (2) shows the results of the linear regression; there is a significant (B=0.334, P<0.05) relationship between servant leadership and job satisfaction. Furthermore, the results indicate a positive relationship between servant leadership and job satisfaction. There is a significant (B=0.183, P<0.05) relationship between servant leadership and policies of compensation and benefit. Furthermore, the results indicate a positive relationship between servant leadership and policies of compensation and benefit, a significant (B=0.210, P<0.05) relationship between servant leadership and policies of compensation and benefit and a positive relationship between servant leadership and policies of compensation and benefit. The results further show a significant (B=0.240, P<0.05) relationship between servant leadership and working environment and condition and a positive relationship between servant leadership and working environment and condition. Overall, the results show that servant leadership has a positive impact on employees' satisfaction of hospitality industry.

5. DISCUSSION

The findings of the study indicated a significant positive relationship between servant leadership and employee's satisfaction. This study empirically assesses servant leadership, and employee satisfaction. Through this research it has been acknowledged that servant leadership and employee satisfaction are strongly correlated, and findings are consistent with (Jones, 2012; Mohammad et al., 2011). Leadership is important in any organisation and this study highlights the important relationships between servant leadership and employee satisfaction. Managers have the opportunity to enhance their relationships with employees through servant leadership. Additionally, studies conducted within the hospitality industry in South Africa have indicated that servant leadership has a significant impact on employee satisfaction. In a study by Mokgadi & Bezuidenhout (2014), it was found that employees who perceived their leaders to engage in servant leadership behaviors reported higher levels of job satisfaction and organizational commitment. Similarly, a study by Lebese et al. (2016) demonstrated that servant leadership positively influenced employee satisfaction and employee engagement in the hospitality industry. These findings are supported by a more recent study by Mabunda et al. (2022), which revealed a significant positive relationship between servant leadership and employee satisfaction in South African hotels. These results emphasize the importance of servant leadership in fostering a positive work environment and enhancing employee satisfaction within the hospitality industry in South Africa.

6. CONCLUSION

This study has shown that when leaders prioritize the needs and well-being of their employees, it creates a positive work environment and fosters higher levels of employee satisfaction. In the competitive and demanding nature of the hospitality industry, where employees are often faced with challenging customer interactions, servant leadership can play a crucial role in creating a supportive and empowering atmosphere. By actively listening to employees, providing guidance and support, and promoting a sense of shared purpose, servant leaders can contribute to enhanced job satisfaction, motivation, and commitment among employees. Consequently, organizations that embrace servant leadership are more likely to attract and retain talented employees, leading to improved performance and profitability.Several recommendations for future research can be drawn from this study. Firstly, it would be beneficial to investigate the impact of servant leadership on other variables, such as employee engagement or organizational commitment, within

the context of the hospitality industry in South Africa. This would provide a more comprehensive understanding of the effects of servant leadership in this specific industry. Secondly, future research should examine the role of cultural factors in shaping employee satisfaction and the effectiveness of servant leadership. This would address the potential cultural differences that might impact the application and effectiveness of servant leadership within the South African hospitality industry. Lastly, studies should explore the practical implications of servant leadership for the hospitality industry in South Africa, and how organizations can effectively implement servant leadership practices to enhance employee satisfaction and overall performance.

7. RECOMMENDATIONS

Training and development programs for leaders in the hospitality industry to adopt servant leadership practices: One recommendation to enhance employee satisfaction in the hospitality industry in South Africa is to implement training and development programs for leaders that focus on servant leadership practices. Training programs can educate leaders on the importance of empathy, humility, and empowering their team members, ultimately fostering a positive work environment. By adopting servant leadership practices, leaders can promote employee satisfaction, loyalty, and overall organizational success.

Creating a supportive and inclusive organizational culture: Creating a supportive and inclusive organizational culture is crucial for enhancing employee satisfaction in the hospitality industry. One way to achieve this is by establishing clear communication channels that encourage employee feedback and participation in decision-making processes. By actively involving employees in decision-making, their sense of ownership and dedication to organizational goals can be boosted. Additionally, leaders should promote diversity and equality within the workplace by implementing policies and practices that address discrimination and foster the inclusion of individuals from different backgrounds. This will not only create a sense of belonging among employees but also enhance their overall satisfaction and productivity levels.

Encouraging open communication and feedback channels: Encouraging open communication and feedback channels is crucial for enhancing employee satisfaction in the hospitality industry in South Africa. Therefore, organizations should create platforms for employees to voice their concerns, suggestions, and feedback regarding work-related issues. This can be achieved through regular staff meetings, suggestion boxes, or online forums, allowing employees to contribute to decision-making processes and feel valued within the organization. Such open communication channels can foster a sense of trust and promote a positive working environment, leading to greater employee satisfaction.

Recognizing and rewarding servant leadership behaviours: Recognizing and rewarding servant leadership behaviours is essential in promoting employee satisfaction in the hospitality industry. By recognizing and rewarding these behaviours, organizations can encourage servant leadership and enhance employee satisfaction. Implementing these programs can create a positive organizational culture where servant leadership is valued and recognized.

Monitoring and evaluating the impact of servant leadership on employee satisfaction: In order to effectively monitor and evaluate the impact of servant leadership on employee satisfaction in the hospitality industry in South Africa, it is recommended that organizations utilize a combination of qualitative and quantitative research methods. Qualitative methods, such as interviews and focus groups, can provide in-depth insights into employees' perceptions and experiences of servant leadership. On the other hand, quantitative methods, such as surveys and questionnaires, can provide data that can be analysed to identify patterns and correlations between servant leadership behaviours and employee satisfaction levels. By using a combination of these research methods, organizations can obtain a comprehensive understanding of the impact of servant leadership on employee satisfaction

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