

LEADERSHIP STYLES TOWARDS EMPLOYEE RETENTION IN HOTEL INDUSTRY: A STUDY IN SIBU TOWN, SARAWAK

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ABSTRACT

The nature of leadership itself may influence an individual employee's intention to leave or remain in the organisation. The present study was carried out to examine the impact of directive, servant, participative, and laissez-faire leadership styles in predicting employee retention among employees working in hotels of Sibu Sarawak. Using Role Theory as the underpinning basic theory, the present study explains the relationship between the chosen variables in the proposed model. A quantitative research design was chosen for this research study. WarpPLS (version 6.0) was employed to perform the Partial Least Square-Structural Equation Modeling (PLS-SEM) estimation procedure to examine the developed direct relationship. The purposive sampling technique was used for data collection. A total of 230 usable questionnaires were collected from employees coming from different levels/department in local hotels. Interestingly, the results showed that two predictive factors emerged from the directive and servant leadership styles, which are prevalent in employee retention in the hotel industry. The result of present study may be informative and act as a basic guideline for the future hotel industry players. Additionally, the research is of theoretical importance as it helps to identify the factors that contribute to hotel employee retention. This study also demonstrates the importance of effective leadership style/leadership behaviour for the retention of talented employees in the hotel industry. Some of the theoretical and practical implications have also been highlighted in the study.

Keywords: Directive, Employee Retention, Hotel Industry, Laissez-Faire, Leadership Styles, Participative, Servant.

INTRODUCTION

Leadership style has been proven as one of the important determinants to inspire employees to ensure the success of company goals (Randeree & Chaudhry, 2012; Puni, Agyemang, & Asamoah, 2016). Leadership style is a combination of a leader's characteristics, attitude and behaviour which is able to lead the organisation (Randeree & Chaudhry, 2012). As a leader, s/he must have certain knowledge and skills to act effectively in any situation (Rad & Yarmohammadian, 2006). A strong and acceptable leadership style will add value to the company. According to Fry (2003), leadership is the most tactical process to enhance the employee's potential growth and development by the leader. Similarly, Northouse (2010) emphasized that leadership is referred to an individual who will influence and lead employees to achieve company performance (Puni, Agyemang, & Asamoah, 2016). An effective leadership style encourages change for transformative and sustainable (Jones & Rudd, 2008), as this can create and direct certain social power so that employees can realize the vision.

Employee retention is a critical issue in the sense of current labour force in an organisation (Thiriku & Were, 2016). An increasing turnover rate might harm the performance of an organisation directly or indirectly (Glebbeck & Bax, 2004). Most of the company failures have been due to poor leadership behaviour (Fincham & Rhodes, 2005). As noted, destructive leadership style of supervisors has been found as significant determinant of employee voluntary turnover (Frank, Finnegan, & Taylor, 2004). The recent study showed that there is a low level of intent to stay among the employees because of poor morale and inspiration from the leaders (Hajjaj, 2014). For example, Generation Y is found to refuse themselves to retain in today's company scenario has become a remarkable task in Vulnerable, Uncertain, Complex, and Ambiguous (VUCA) (Aruna & Anitha, 2015). Keeping in view with the above mentioned scenario, the present study aims to provide an insight into whether applying the principles of directive, participative, servant, and laissez-faire leadership style have an impact on the employees' intent to stay at their current workplace (hotels).

THEORETICAL FOUNDATIONS AND DEVELOPMENT OF HYPOTHESES

(i) Employee Retention

Organisations today face challenges in managing and retaining employees (Aruna & Anitha, 2015). Retention is enacted as an important asset to a company (Govaerts, Kyndt, Dochy, & Baert, 2011). Employee retention is generally defined as the attempt by an employer to retain talented and skilled employees in the organisation in order to maintain their competitive advantage (Govaerts et al., 2011). An extensive body of research has acknowledged that great leadership style contributes to employee retention in an organisation (Chew, 2004; Netswera, Rankhumise, & Mavundila, 2005; Sherman & Cohan, 2006; Muindi, 2010). According to Guest (2017), the function of the human resources department has changed in that they no longer bear the responsibility of retain performing employees. Instead the responsibility of retaining employees has been transferred to the leaders/supervisors of each department in an organisation. The leaders have to enhance their skills to create a better working environment that encourage employees to remain. As noted, the leaders who work effectively should be able to guide and develop members to commit the organisation (Mat, 2008). Therefore, the role of leaders is the best strategy to add-value and keep the employees longer in the organisation.

(ii) Role Theory

Role Theory is very useful to understand and determine how leaders' interpretation of the organisational setting can lead to their behaviour (Yukl, 1989). An individual employee is expected to behave in a certain way based on their defined role (Winkler, 2009). With leadership, an interaction process between leaders and members in a particular organisation (Gordon, 1955). In certain organisations, a leader should foresee the future and give the commands to the employees (Greenleaf, Frick, & Spears, 1996). Besides, leaders play an imperative role to coach, lead, and train their subordinates, however the expected behaviours of leaders and members are based on their given roles.

Role Theory is developed by Merton (1957), and Yukl (1989) further developed a role model of situational determinants of leader behaviour. In this approach, the organisation communicates their personal characteristics, expectations and role behaviours that may influence a manager's interpretations of their role requirements and subsequently their behaviours. It is therefore concluded that role theory is an extremely powerful tool for explaining leadership influences and behaviours, and the crucial role that leaders play in the success of planned changes in the organisation.

(iii) Directive Leadership

Directive leadership is also known as autocratic leadership. It has been defined as autocratic, task-oriented, and persuasive (Bass, 1981). For directive leadership, only one person from the organisation has full authority and the employees follow the rules or tasks given by the leader (Adair, 2003). The autocratic leader has full control of those around him and is believed to have complete authority to treat them as he wants. Heneman and Gresham (1999) described that autocratic leaders have the decision making powers which are centralized and remain in the hand of leaders, as with dictators. These leaders do not welcome any suggestions and do not take any type of consultation from their employees. It is therefore concluded that this type of leadership promotes a one sided conversation (Ittner & Larcker, 2002) and allows for quick decision making. The empirical study of Mathieu and Zajac (1990) established a positive relationship between directive leadership. Based on the above discussion, the hypothesis of the research was set:

H1: Directive leadership is positively related to employee retention in the hotel industry.

(iv) Participative Leadership

Participative leadership is defined as the process of making joint decisions by the leaders and his or her subordinates (Somech, 2005). It also referred to as democratic leadership, which is associated with consent, consultation, employee involvement (Chen & Tjosvold, 2006; Dolatabadi & Safa, 2011) and concentrates on performance and employees themselves in an organisation (Newman, Rose, & Teo, 2012; Puni, Ofei, & Okoe, 2014). Participative leaders may increase an individual employee's commitment, involvement, loyalty to the company (Bass, 1981, Dolatabadi & Safa, 2011) and enhance employees' working motivation (Ahearne, Mathieu, & Rappa, 2005; Huang, Iun, Liu, & Gong, 2010; Bell & Mjoli, 2014). Additionally, Luthar (1996) and Wilson, George, Wellins and Byham (1994) agreed that democratic leaders are friendly, helpful, and encourage participation. It is a human relation approach where all employees are seen as important contributors to the final decision making process. Besides, Angermeier, Dunford, and Boss (2009) revealed that a participative management style may reduce turnover intentions (Pauw, 2011). Similarly, the study of Yousef (2000) found that employees who perceive their managers as adopting participative leadership are more committed and more satisfied with their job scope and highly perform in the organisation. This is because participative leaders value employees instead of job tasks (Dolatabadi & Safa, 2011), encourage different ideas, assist employees to find new

opportunities, and produce new information (Sagnak, 2016). Thereby, the researcher posits the following hypothesis:

H2: Participative leadership is positively related to employee retention in the hotel industry.

(v) Servant Leadership

An emerging body of literature suggested that the servant leader usually puts their employees first (Greenleaf, 1977; Patterson, 2003; Coggins & Bocarnea, 2015; Gutierrez-Wirsching, 2018) and demonstrates a helping behaviour, while ensuring that individuals accomplish professional and personal goals (Sun, 2013). An effective servant leader will demonstrate the following behaviour: building community, stewardship, awareness, forethought, willingness to listen, conceptualization, healing, empathy, persuasion, and commitment (Rieke, Hammermeister, & Chase, 2008). A servant leader desires to meet the employee's needs rather than lead them (Gillet, Cartwright, & Van Vugt, 2011). This will then significantly lead to organisational change (Yukl, 2008). McGee-Cooper and Trammell (1989) recognized that this leadership style is able to help turn traditional designs of leadership and organisational structure (Rieke et al., 2008). The study of Hajjaj (2014) indicated that servant leadership significantly leads to employees' intention to stay in the Municipality of Gaza. Correspondingly, the researcher is examining this area:

H3: Servant leadership is positively related to employee retention in the hotel industry.

(vi) Laissez-Faire Leadership

Laissez-faire leadership is generally defined as "*Let it be*" and "*free hands style*" (Nwokocha & Iheriohanma, 2015) which means leaving subordinates to complete the tasks given based on their own way without adherence to any strict policies or procedures (Gill, 2014). Laissez-faire leadership style maintains a hands-off stance and permit team members to make the decisions (Cherry, 2019). Laissez-faire leaders do not get involved with the affairs of followers, they provide little guidance to them and try not to be involved in group and individual decision-making (Stoner, 1982; Bittel, 1989; Bass & Riggio, 2006; Hong, Mustafa, Songan, Hasbee, Gan, & Ngui, 2009). Laissez-faire leaders provide neither feedback or rewards on the performance of followers, and their followers are often in conflict over duties and responsibilities and try to take over the leader's role (Coad & Berry, 1998). However, an alternative view is that such hands-off leadership is very effective for followers who are highly-skilled and motivated with a proven track record of excellence (Lewin, Lippitt, & White, 1939; Ojo, 2009; Amzat & Ali, 2011). This notion is supported by Yaseen (2010) who claimed that laissez-faire leadership works well for teams that consist of very experienced individuals and skilled self-starters. Ali, Ismael, Sulaimanand, and Nikbin (2011) stated that leaders should adopt a laissez-faire style when they have full trust in their subordinates. However, laissez-faire leadership is perceived as an inactive leadership style due to the lack of leadership competence to supervise their subordinates (Bass & Stogdill, 2008; Skogstad, Hetland, Glasø, & Einarsen, 2014). This leadership is characterized by weak decision making, less

commitment, and no intention to motivate their employees (Bass & Avolio, 1990). Subsequently, to prove this, the following hypothesis has been outlined:

H4: Laissez-faire is positively related to employee retention in the hotel industry.

METHODOLOGY

The quantitative method was employed for data collection in this research study. The population of interest in this research was all the employees working in hotels at Sibu, Sarawak. These employees were from both similar and dissimilar department in hotels. The WarpPLS (version 6.0 (Kock & Nulty, 2018) was used to run Partial Least Square-Structural Equation Modelling (PLS-SEM) estimation procedure to investigate the four designed hypotheses. PLS is an exploratory analysis and confirmatory analysis method (Barroso, Carrión, & Roldán, 2010). In this study, the sample size was a small group of people (full time and part time employees from local hotels), which made up 230 respondents. This sample size number fulfills Roscoe's rule of thumb (1975) which states that an acceptable sample size ranges between 30 to 500 respondents (Sekaran, 1992). The response rate of the respondents stands at 92 percent. To obtain a representative outcome, the research was careful to select an appropriate sampling technique. For the purpose of this study, a non-probability purposive sampling method was used to select representative respondents, for the reason that the selected respondents were able to provide the needed information (Sekaran, 1992).

The primary research data was collected through a set of survey questionnaires, which were filled by the studied population; employees who work in the local hotels. The questionnaire instrument was a paper survey in this study. The survey study is a short and comprehensive assessment with 30 items. The questionnaire for this study is based on the questionnaire developed by Indvik (1985), Bass (1985), Barbuto & Wheeler (2006), and Adekanbi (2016). The researcher distributed the questionnaire via the human resource department at these hotels. The designed questionnaires were distributed to those who agreed to participate in this study. All selected independent variables were taken and adapted from previous reliable and valid studies. In this study, a five-point Likert scale was used to gather the necessary data for each construct of the research model, and the rating scale ranges from '1' strongly disagree to '5' strongly agree. Respondents were requested to circle any number from number one to five.

RESULT

(i) Profile of Respondents

Given the nature of this study, the collection of demographic data was limited to all levels of employees who worked in the hotels at Sibu, Sarawak. Descriptive analysis was used to generate general information of the respondents. Out of 230 respondents, the number of males stood at 99 (43%), which was slightly more than females who stood at 131 (57%). Most of the respondents were within the age groups of 20 to 30 (n= 99, 43%) and 30 percent of respondents were aged between 31 to 40 (n=69). As for marital status, singles recorded 118 (51.3%) and married stood

at 112 (48.7%). Academically, the highest percentage was SPM (n= 94, 40.9%) followed by PMR (n= 60, 26.1%) and Degree (n= 58, 25.2%). In terms of working experience, the average length of respondent’s employment at their current hotel was 1 to 2 years followed by 2-5 years (n=60, 26.1%), and 6-10 years (n= 59, 25.7%).

(ii) Assessment of the Measurement Model

In the first stage of measurement model, statistical analysis was conducted to identify the causal relationships between the observed variables (items) and underlying constructs. Due to this, confirmatory factor analysis (CFA), including the convergent validity and discriminant validity was performed. Convergent validity was obtained by Composite Reliability (CR) and Average Variance Extracted (AVE). However, discriminant validity emerges when the square root of AVE exceeds the correlation level. As shown in Table 1, the cross-loading matrices for all items measured were loaded highly on its own construct rather than any other constructs. All the loadings exceeded the cut-off value, 0.5 (Hair, Black, Babin, & Anderson, 2010). Thus, it can be inferred that the model’s construct of this study was good and sufficient.

The findings of the test of convergent validity are shown in Table 2. All the Composite Reliability (CR) results of these constructs fulfilled the recommended value (0.7) and Cronbach’s alpha values exceeded the ideal value (0.7) as recommended by (Ramayah, Cheah, Chuah, Ting, & Memon, 2018), indicating that the proposed model constructs were of adequate convergence. In other words, the items of each construct could be used to measure the value with high reliability. Besides, AVE of each model construct exceeded the acceptable level of 0.50 and the item loadings range for each construct was 0.744 to 0.925, which exceeded the acceptable value of 0.70 as suggested by Hair, Ringle, and Sarstedt (2013). To conclude, the model construction of this study achieved good convergent validity (Bagozzi & Yi, 1988) with the indication that all indicators have a higher load on the hypothesis factor. Additionally, to establish discriminant validity, the square root of the AVE for a given construct is compared with the correlations between that construct and all other constructs (Voorhees, Brady, Calantone, & Ramirez, 2016). Table 3 presented that all the proposed constructs of this study are valid measures based on the parameter estimates and the statistical significance (Chow & Chan, 2008).

Table 1: Loading and Cross Loading

	Directive	Participative	Laissez-faire	Servant	Employee Retention
direct_1	0.848	0.611	0.589	0.609	0.336
direct_2	0.835	0.692	0.502	0.570	0.319
direct_3	0.917	0.658	0.652	0.690	0.415
direct_4	0.898	0.745	0.627	0.703	0.409
direct_5	0.870	0.747	0.609	0.682	0.366
part_6	0.747	0.871	0.651	0.726	0.342
part_7	0.701	0.888	0.603	0.680	0.318
part_8	0.712	0.925	0.619	0.727	0.319
part_9	0.675	0.913	0.590	0.703	0.309

laisz_11	0.600	0.623	0.841	0.696	0.314
laisz_15	0.550	0.517	0.852	0.707	0.404
laisz_23	0.552	0.561	0.805	0.728	0.285
serv_16	0.635	0.610	0.778	0.809	0.343
serv_17	0.641	0.615	0.723	0.832	0.389
serv_18	0.613	0.647	0.692	0.824	0.348
serv_19	0.632	0.738	0.728	0.866	0.398
serv_21	0.680	0.713	0.753	0.867	0.390
serv_22	0.616	0.689	0.744	0.890	0.424
retent_1	0.446	0.429	0.382	0.432	0.854
retent_2	0.252	0.241	0.252	0.316	0.744
retent_3	0.324	0.231	0.322	0.359	0.831
retent_4	0.344	0.248	0.383	0.360	0.844

Note: Bold values are loadings for items that are above the recommended value 0.5.

Source: Author

Table 2: Results of Measurement Model

	Measurement Items	Cronbach's Alpha	Factor Loading	Composite Reliability (CR)	Average Variance Extracted (AVE)
Direct	direct_1	0.923	0.848	0.942	0.764
	direct_2		0.835		
	direct_3		0.917		
	direct_4		0.898		
	direct_5		0.870		
Participative	part_6	0.921	0.871	0.944	0.809
	part_7		0.888		
	part_8		0.925		
	part_9		0.913		
Laissez-faire	laisz_11	0.866	0.841	0.908	0.711
	laisz_15		0.852		
	laisz_20		0.874		
	laisz_23		0.805		
Servant	serv_16	0.922	0.809	0.939	0.720
	serv_17		0.832		
	serv_18		0.824		
	serv_19		0.866		
	serv_21		0.867		
	serv_22		0.890		
Employee Retention	retent_1	0.837	0.854	0.891	0.671
	retent_2		0.744		

retent_3	0.831
retent_4	0.844

Note: a. Composite Reliability (CR) = (square of the summation of the factor loadings) / {(square of the summation of the factor loadings) + (square of the summation of the error variances)}

b. Average Variance Extracted (AVE) = (summation of the square of the factor loadings) / {(summation of the square of the factor loadings) + (summation of the error variances)}

Source: Author

Table 3: Summary Results of the Model Constructs

	Measurement Items	Standardised Estimate	t-value
Direct	direct_1	0.848	24.799
	direct_2	0.835	21.562
	direct_3	0.917	75.325
	direct_4	0.898	58.640
	direct_5	0.870	42.115
Participative	part_6	0.871	37.647
	part_7	0.888	36.792
	part_8	0.925	55.221
	part_9	0.913	48.896
Laissez-faire	laisz_11	0.841	24.108
	laisz_15	0.852	28.342
	laisz_20	0.874	45.625
	laisz_23	0.805	18.016
Servant	serv_16	0.809	27.127
	serv_17	0.832	34.882
	serv_18	0.824	25.961
	serv_19	0.866	35.285
	serv_21	0.867	37.353
	serv_22	0.890	48.028
Employee Retention	retent_1	0.854	33.039
	retent_2	0.744	12.760
	retent_3	0.831	27.511
	retent_4	0.844	31.180

Source: Author

The discriminant validity desires that each construct's AVE should be higher than the highest squared correlation with other latent construct and the indicators loadings should be more than all its cross loadings. In this study, discriminant validity was examined through the Fornell and Larcker's (1981) criterion as shown in Table 4 and Heterotrait-Monotrait Ratio (HTMT) in Table 5. The threshold value of HTMT was less than 0.85 (Kline, 2011) and 0.90 (Gold, Malhotra, & Segars, 2001) which indicates that discriminate validity is valid for this study.

Table 4: Fornell-Larcker Criterion for Discriminant Validity of Constructs

	Directive	Employee Retention	Laissez-faire	Participative	Servant
Directive	0.874				
Employee Retention	0.425	0.819			
Laissez-faire	0.685	0.414	0.843		
Participative	0.790	0.359	0.686	0.900	
Servant	0.748	0.452	0.866	0.789	0.849

Note: Diagonals represent the square root of the average variance extracted while the other entries represent the correlations.

Source: Author

Table 5: HTMT Criterion for Discriminant Validity of Constructs

	Directive	Employee Retention	Laissez-faire	Participative	Servant
Directive	0.471				
Employee Retention	0.764	0.471			
Laissez-faire	0.855	0.398	0.770		
Participative	0.809	0.508	0.971	0.854	
Servant					

Note: HTMT < 0.85 (Kline, 2011), HTMT < 0.90 (Gold et al. 2001)

Source: Author

(iii) Assessment of the Structural Model

Once all the constructs in the measurement model were validated, the structural model was then tested by analysing the inner model. To test path analysis and the hypotheses, the researcher used the bootstrapping technique to determine the significant t-statistic. Bootstrapping is a statistical re-sampling method (Kline 2011, Manly, 2001) that determines confidence intervals (Henseler, Ringle, & Sinkovics, 2009). The t-value represented in Table 6 was used for hypothesis testing. In this research study, the researcher used the bootstrapping approach with 500 samples, with 0 cases per sample to test the path coefficient (β) and proposed hypotheses.

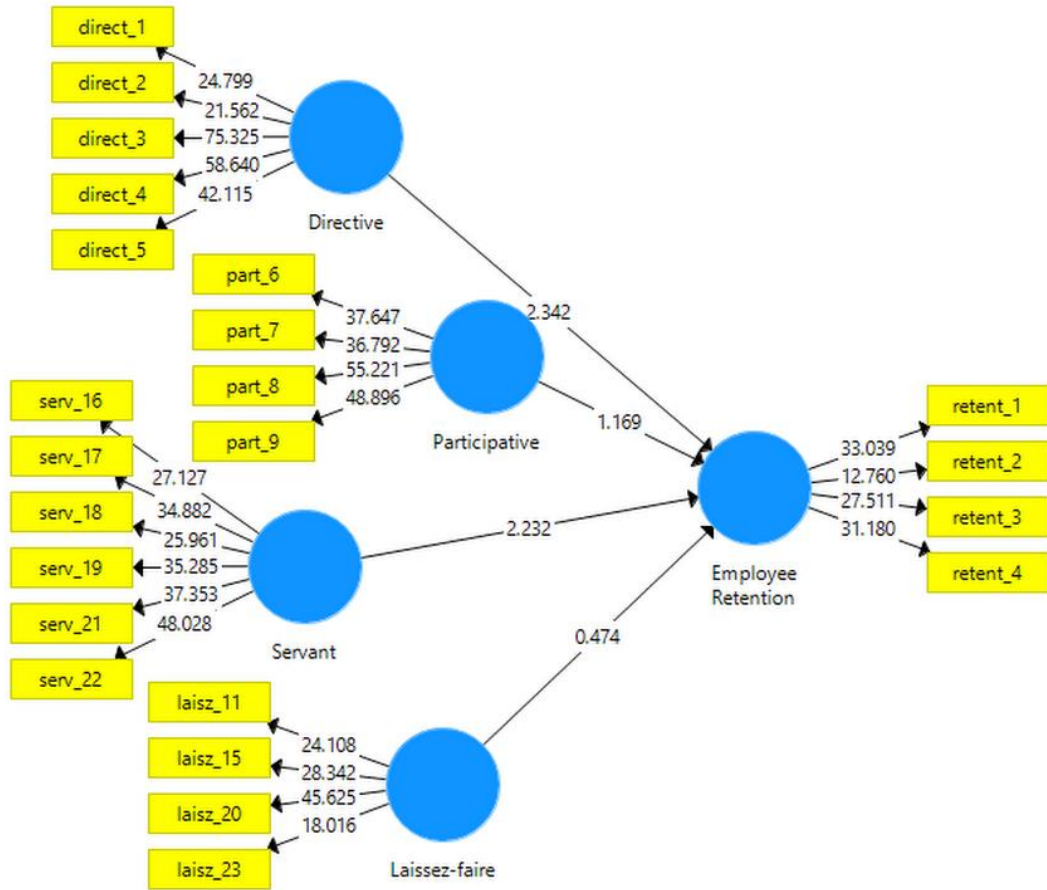
Apart from generating path coefficients, PLS also created R² value (Halawi & McCarthy, 2008; Verhagen & Van Dolen, 2009). According to Chin (2010), R² can be assessed to obtain the predictive power of the structural model. The rule of thumb of R² endogenous LVs was 0.67 (substantial), 0.33 (moderate), followed by 0.19 (weak) (Chin, 1998). For the present study, the researcher found that the R² value for employee retention was 0.227. In this sense, the interactions were able to explain 22.7 percent of the variance of employee retention, these were directive, participative, servant, and laissez-faire leadership styles. For the remaining, 77.3 percent, other independent variables should be added to the model. Next, the researcher assessed the value of Q², based on the blindfolding method in PLS statistical analysis. As recommended by Chin (1998), if a cross-validated redundancy reaches Q² > 0 or the cut-off value of Q² > 0.5, it implies that the

model of study has predictive relevance, whereas, if $Q^2 < 0$, then it means that it lacks predictive relevance (Barroso et al., 2010). In this study, the Q^2 was recorded 0.37. Following this is the Goodness of Fit (GoF), which is a global fit measure, defined as the geometric mean of average communality and average R^2 (especially endogenous variables) (Tenenhaus, Vinzi, Chatelin, & Lauro, 2005). The recommended value of *GoF small* = 0.1, *GoF medium* = 0.25, and *GoF large* = 0.36 (Akter, D'Ambra, & Ray, 2010). In this study, the GoF value was 0.186 ($R^2 = 0.227$, average AVE= 0.671) for employee retention. Therefore, this confirms that the proposed PLS model was sufficient in lower level. The formula of calculating GoF is shown below:

$$GoF = \sqrt{AVE \times R^2}$$

Table 6 and Figure 1 display the summary of the results which answer the developed hypotheses tested in this research study. The researcher calculated path coefficient (β) and t-statistics (t-value) for each of the proposed hypotheses by testing using bootstrapping. We anticipated a direct impact of directive, servant, participative and laissez-faire leadership styles on employee intention to stay at the current workplace. The findings showed that the directive leadership was positively related to employee retention ($\beta = 0.252$, t-value = 2.342); this hereby supports H1. The results also gave a standardised Beta, -0.128 from participative leadership to employee retention with t-value = 1.169 and standardised Beta, 0.057 from laissez-faire leadership to employee retention with t-value = 0.474 which shows that it is not significant in the relationship. Besides, the analysis supported that servant leadership to employee retention with standardised Beta is 0.315 and t-value is 2.232. It is therefore summarised that H1 and H4 were supported and H2 and H3 were not supported.

Figure 1: Research Framework with T-value



Source: Author

Table 6: Path Coefficient and Hypothesis Testing

Hypothesis	Relationship	Coefficient	t-value	Decision
H1	The directive leadership style has a significant relationship on employee retention	0.252	2.342	Supported
H2	The participative leadership style has a significant relationship on employee retention	-0.128	1.169	Not Supported
H3	The laissez-faire leadership style has a significant relationship on employee retention	0.057	0.474	Not Supported
H4	The servant leadership style has a significant relationship on employee retention	0.315	2.232	Supported

Note: t-value >1.96 (p < 0.05*); t-value >2.58 (p < 0.01**)

Source: Author

DISCUSSIONS

This study produces important findings. As expected, the results found that directive leadership style held the greatest significance ($t = 2.342$) on employee retention in hotel industry. This is perhaps because supervisor/managers with a directive leadership style in hotels behaved positively and produced a positive influence on the workforce. Results also revealed that servant leadership positively contributed to employee retention at the current workplace. This is due to the fact that servant leaders always care and are supportive towards motivating employees' (Wong & David, 2007 as cited in Gutierrez-Wirsching, 2018). Servant leadership also focused on the ability of leader to put the needs of others before their own (Herbert, 2005). As stated, servant leadership is a leadership style that is used to retain employees (Gutierrez-Wirsching, 2018). This is because servant leaders detach themselves from employees to explore new opportunities, resolve problems, and formulate organisational goals (Rai & Prakash, 2012). An individual employee's behaviour is eventually influenced by the leader of an organisation (Atilgan & McCullen, 2011, Van Dierendonck & Jacobs, 2012).

However, the present study found that participative and laissez-faire leadership styles did not contribute to an employee's intention to stay. Prior research has shown that some employees remain passive and indifferent towards participative management (Foster-Fishman, Salem, Chibnall, Legler, & Yapchai, 1998). This is perhaps due to the fact that employees themselves refuse to express their perceptions directly to their superiors in the hotel and due to the change of social values. Besides, researchers (Pelz, 1956; Bass & Avolio, 1997; Bass, 1990; Bass & Riggio, 2006) regard laissez-faire leadership as a poor leadership style as the leaders do not exert sufficient control and power over their followers. The finding of the present study was in line with the study of Skakon, Nielsen, Borg, and Guzman (2010). They concluded that laissez-faire leaders do not really - lead, always avoid making decisions, and ignore leadership responsibilities (Robertson, 2013). This has been further supported by Bass (1985) that described laissez faire leadership style as one in which the leader has no belief in their own ability to supervise. Concurrently, the study of Kelloway, Turner, Barling, and Loughlin (2012) also discovered that the laissez-faire leadership style was insufficient because it may create a lack of trust among leaders. Evidently, Kelloway and Colleagues (2005) revealed that poor laissez-faire leadership style was the main cause of stress in an organisation (Skogstad, Einarsen, Torsheim, Aasland, & Hetland, 2007). This is perhaps because current managers/supervisors in the hotels are not good in setting their own deadlines and have poor management of their project. According to Puni *et al.* (2014), the laissez-faire leader avoids controlling his employees and so only relies on the few available employees who are loyal to get a task done.

CONCLUSION

The findings steer us to draw conclusions that directive and servant leadership styles are imperative elements to urge employees' intention to stay at the current workplace (hotels). This research highlights the importance of leadership - as a weapon of the organisation. The success of a company is truly dependent on the leader's ability to optimize - human resources. The present study therefore recommends that local hotels (organisation) should employ the directive and

servant leadership styles to increase their subordinate's belief and acceptance of the company's vision. This study also provides practical implications to the hotel management as well, as it provides insights on how managers of the company should interact with leaders from other departments. Managers/leaders should put in efforts to ensure that they apply directive and servant leadership styles. Furthermore, the top management of hotel should invest in directive and servant leadership training for the current leaders of the departments in order to flourish performance of employees. Additionally, the current study can be helpful for researchers, scholars, and academicians to better understand the importance of leadership styles and behaviour in influencing an organisation's performance.

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