



A COMPARISON OF DIFFERENT LEADERSHIP APPROACHES IN THE HOTELS INDUSTRY AND THEIR IMPACT ON EMPLOYEE PERFORMANCE

Jovan Momirski*

Singidunum University, Belgrade, Serbia

Abstract: Leadership in the hotels industry plays a key role in shaping organizational culture, employee motivation, and overall hotel performance. Due to the dynamic nature of this industry, different leadership styles directly influence service quality, team productivity, and employee satisfaction. This paper explores the impact of different leadership styles, including transformational, transactional, servant, authoritarian, democratic, empowering, participative, and charismatic, on hotel operations, through the analysis of concrete examples and relevant theoretical models. Implementing different leadership styles can contribute to creating a more productive work environment and increasing guest satisfaction. The aim of the research is to determine the ways in which different leadership styles shape the working atmosphere, the efficiency of employees and their commitment to work. The methodological framework includes a comparative analysis of research and examples from well-known hotel chains, in order to clearly the strengths and potential disadvantages of different leadership styles. The results provide practical insights for improving leadership in hotel industry and more efficient employee management within the industry.

Keywords: Leadership, hotels, employee performance.

1. INTRODUCTION

In contemporary hospitality management, leadership is emphasized as a key factor in enhancing service quality and achieving organizational success. According to research by Lončar (2023), leaders who apply appropriate leadership styles can significantly influence employee motivation, which directly contributes to the improvement of service quality in hotels.

The influence of different types of leadership fosters innovation in the hotel industry. Transformational leadership, in particular, plays a significant role in this process. In order to increase hotel competitiveness and improve service quality, it is necessary to encourage

* Corresponding author: jovan.momirski.21@singimail.rs

Jovan Momirski, ORCID: 0009-0006-5622-4670

employee creativity and initiative. Leaders have a key influence on these processes (Jovičić Vuković et al., 2018).

Leadership is defined as the influence on others in terms of directing them toward the achievement of goals. It is a complex process that depends on the leader's traits and the circumstances under which leaders exert influence on others (Bavik & Koseoglu, 2022).

There are various leadership styles, and they are adapted to the specific characteristics of the hotel industry. The importance of this adaptation is examined and analyzed in contemporary research. Special emphasis is placed on employee motivation and satisfaction, as these are key factors for improving service quality and achieving sustainable competitive advantage. According to Grudić Kvasić (2018), leadership characterized by authenticity and transparency enhances employee satisfaction, which in turn leads to improved operational efficiency in hotels.

The aim of this paper is to analyze different leadership approaches within hotel organizations, with a particular focus on their impact on employee performance. The paper provides an analysis of various leadership styles in the hospitality industry. Furthermore, it demonstrates how different leadership approaches influence employee engagement and performance in the hotel sector. Taking into account key case studies and theoretical analysis, the study will identify patterns and key factors that affect team effectiveness.

2. LITERATURE REVIEW

Employee satisfaction is an integral part of work quality in any organization. Through their work, employees use and develop their knowledge and talents, while also growing personally. A leader's knowledge should include the awareness that employees have a need to fully develop through their professional activities, which highlights the leader's role in this process. Motivation is a crucial element, and without it, leadership cannot be successful. There are numerous reasons for this. It can thus be concluded that employee commitment within an organization is directly linked to motivation.

Effective motivation involves enabling employees to express their ideas and opinions, making them active, rather than passive, members of the team. In this way, they gain a better understanding of their role within the organization, which contributes to greater role stability. If motivation is lacking, the workforce will not be stable. Naturally, an unsatisfied employee tends to leave the organization. Employee turnover leads not only to financial costs but also to a series of disruptions in the functioning of the organization.

Leaders have a significant influence on employee commitment and motivation. Committed employees are motivated to direct their energy toward the quality execution of their tasks. Rabiul & Yean (2021) found in their research that motivational language inspires employees and creates an emotional connection with the organization. This form of communication provides direction from leaders, establishes balance, reduces uncertainty, and clarifies tasks. In addition, it demonstrates concern for the emotional well-being of employees, which increases their organizational commitment.

The following leadership styles are identified: transformational, transactional, servant leadership, authoritarian leadership, democratic leadership, among others.

Leadership in the hospitality industry represents a key factor influencing work efficiency, employee satisfaction, and the overall performance of the organization. Different leadership approaches shape the ways in which managers motivate, guide, and develop their teams. The literature particularly highlights four dominant leadership styles: transformational,

transactional, servant, and traditional forms such as authoritarian and democratic leadership (Bass & Riggio, 2006).

Transformational leadership promotes innovation, a visionary approach, and inspirational employee motivation. In the hospitality industry, this approach is especially important due to the need for constant adaptation to market changes and a high level of employee engagement (Fahlevi et al., 2022). Transformational leaders contribute to motivating employees to improve performance. Transformational leadership has the capacity to change and transform an enterprise, enabling the achievement of exceptional results. Such leaders have the ability to initiate change and transformation, and to realize the strategic goals and vision of the organization (Vlahović, 2008).

Research on transformational leadership and its impact on employees, particularly in relation to problem-solving, was conducted by Luo et al. (2019). They concluded that it is necessary to invest additional emotional effort in order to regulate emotions and increase the level of polite communication with customers. Customer dissatisfaction with service creates a range of problems, and the key role of employees is to demonstrate a positive attitude, care, and empathy, thereby fostering customer loyalty. In this process, leaders play an important role by supporting and empowering employees to respond appropriately when handling customer complaints (Luo et al., 2019).

Transactional leadership is characterized by a clear system of rewards and punishments. This leadership style motivates employees through explicitly defined goals and structures. As a result, it contributes to increased efficiency in everyday work processes (Al Khajeh, 2018).

Recent studies indicate that transactional leadership can have varying effects on employee performance in the hospitality industry. Although it possesses a number of positive characteristics, excessive reliance on this leadership style may lead to limitations in employee creativity and initiative. Therefore, it is recommended to combine transactional leadership with transformational approaches in order to achieve a balance between operational efficiency and innovation in the hotel environment (Stefanović, 2017).

Servant leadership is oriented toward a supportive set of activities, in which the role of the leader is not perceived as direct or dominating, but rather as supportive. This concept is distinctive in that a leader earns their role by offering support and assistance to team members. Servant leaders strive to create a sense of belonging within the organization by encouraging employees to engage beyond their formal job roles. In doing so, they foster personal and professional development, as well as continuous learning (Kreitner & Kinicki, 2012).

"The only authority that should be accepted is the one earned by offering help. The only leaders who deserve to be followed are those who have proven themselves as helpers—those willing to serve first, and only then to lead" (Greenleaf, 1998, p. 25).

Leaders fulfill their role through various forms of action based on their power. Authoritarian leadership involves the exercise of authority, which is a type of power that arises from the demonstrated ability to act within the defined limits of one's role. This leadership style is entirely characterized by a focus on results and efficiency. The leader makes decisions independently or with the involvement of a small group of associates. Employees are expected to perform only the tasks assigned to them, without participating in decision-making.

The authoritarian leadership style is appropriate in organizations where strict guidelines are required, and where a high degree of supervision is necessary—especially when employees have limited experience. However, a significant drawback of autocratic leadership is its tendency to suppress individual creativity.

Democratic leadership is a style in which employees are fully involved in business processes and decision-making. Employees are highly motivated, and the leader places

complete trust in them when it comes to making decisions. The application of this style in hotel enterprises fosters interpersonal relationships.

Lewin et al. (1939) described a democratic leader as someone who encourages freedom among team members through guidance and influence, thereby instilling trust. Bhatti et al. (2012) argue that there are significant differences between democratic and authoritarian leadership styles, primarily due to the greater focus on people. A democratic leader is more a part of the group than a separate individual.

The core component of charismatic leadership lies in the personal traits of the leader. A charismatic leader possesses a wide range of skills, including interpersonal, strategic, business, and cognitive abilities (Stavrinoudis & Chrysanthopoulou, 2015). Charismatic leadership effectively influences subordinates and represents an interaction between the leader and followers. As a result, followers achieve self-affirmation through the realization of a mission defined by the leader. They are positioned in such a way that working toward organizational goals takes precedence over personal goals and interests.

Charismatic leadership is characterized by strong motivation, leader trust, and communication delivered in a uniquely engaging manner. There is an emotional connection between the leader and the employee, in the sense that the leader's actions are so inspiring that employees are driven to identify with them (Lončar, 2023). A positive aspect of this leadership style is the emphasis on two-way communication, which facilitates the building of trust, the development of self-confidence, and a greater willingness to act toward the achievement of defined goals.

Empowering leadership involves granting employees authority and encouraging their independence, decision-making, and expression of opinions. In the hotel industry, this approach can yield positive results and is therefore both recommended and desirable. Its influence on employee behavior contributes to increased job satisfaction and loyalty. The focus is on trust and the belief that employees possess the competence and responsibility to make decisions independently (Lin et al., 2019).

In a study conducted by Su et al. (2022), employee self-management in the hospitality sector was analyzed. The study concluded that self-management positively affects not only employees but also guest satisfaction and loyalty. Self-management serves as a mechanism that fosters self-motivation, which should be supported by hotel leaders in a way that enables employees to feel a sense of autonomy. This, in turn, leads to greater job satisfaction and enhanced motivation.

Participative leadership refers to the direct involvement of employees in decision-making processes. It entails the delegation of authority to subordinates by the leader and their inclusion in solving leadership-related tasks. This includes strategy development and decision-making. Participative leadership is value-based and team-centered. This style encourages employee engagement and recognizes their contribution to decision-making. Furthermore, it leads to increased employee energy, resulting in greater motivation toward work and a heightened sense of care for hotel guests (Hu & Liden, 2011).

3. METHODOLOGY

The selection of case studies is aligned with existing research. The choice of sources includes relevant analyses of leadership in the hospitality industry. The research methodology involves a comparative analysis of case studies that examined various leadership styles. The aim is to identify key factors that influence employee engagement. The methods used include analysis of existing data and theoretical interpretation of results.

Through the analysis of available literature and case studies, trends have been identified in the application of different leadership styles in the hotel sector and their impact on employee performance. Research confirms that leadership style plays a crucial role in increasing work efficiency, employee satisfaction, and hotel competitiveness. The reviewed studies focus on leadership in the hospitality industry and examine the impact of specific leadership styles on employees.

In a study conducted by Petrović (2024) in hotels in the Republic of Serbia, it was observed that servant leadership has a positive effect on employees. This leadership style increases employee engagement, reduces negative job-related impacts such as burnout, and contributes to overall job satisfaction.

4. RESULTS AND ANALYSIS

A case study conducted within the Intercontinental Hotels Group revealed that the implementation of quality management principles contributes to greater employee loyalty, as it is based on employee care. The outcome of such practices is improved service quality (Petrović, 2013).

The analysis of the impact of different leadership styles leads to the conclusion that there are significant differences in their effects on employee performance in the hospitality industry. Numerous studies indicate that leadership can directly influence employee well-being, engagement, and job satisfaction, all of which contribute to the business success of hospitality establishments.

The results of the study (Kara et al., 2013) show that the transformational leadership style has a positive impact on the quality of work life among employees in five-star hotels. This approach helps reduce stress, increases job satisfaction, and strengthens the sense of belonging to the company. On the other hand, the transactional leadership style demonstrates fewer positive effects on employees, while the autocratic leadership style may result in heightened anxiety and job dissatisfaction.

The study of Llorens Montes et al., (2019) highlights the importance of leadership that directly enhances psychological strength and employee engagement. The findings suggest that leaders who delegate responsibility and promote employee autonomy achieve better job performance and lower staff turnover rates. Paradoxically, although servant leadership promotes care for employees, it did not produce the expected results in terms of increasing engagement.

In the paper Fouad (2019), the author emphasizes that both transformational and transactional leadership styles positively correlate with job satisfaction, whereas the laissez-faire style shows no significant effect. Transformational leaders foster creativity and innovation among employees, while transactional leaders provide clear structure and rewards, which can enhance motivation in certain organizational contexts.

According to Rabiul et al. (2021), the role of a leader's communication competence is emphasized as a key factor for employee engagement. Servant leadership, when combined with strong communication skills, can significantly enhance employee motivation. In contrast, transactional leaders, despite clearly defined goals, show weaker results in terms of employees' emotional connection to the organization.

Similarly, the study of Ozturk et al. (2021) indicates that servant leadership has a more pronounced impact on work engagement, fostering responsibility and a collegial atmosphere, than on overall job satisfaction. However, in dynamic environments that require quick and decisive managerial interventions, this type of leadership demonstrates lower effectiveness.

According to Stanojević (2012), leadership at the Hyatt Regency Belgrade is a crucial factor that contributes to achieving high service standards and enhancing employee engagement. Managers at this hotel apply various leadership styles, including transformational, transactional, and servant leadership. Each of these styles influences employee motivation, innovation, and service quality in different ways. Transformational leadership is frequently practiced at Hyatt and contributes to higher job satisfaction, greater loyalty, and reduced employee turnover. On the other hand, the autocratic leadership style shows negative effects, as it reduces motivation and employee engagement.

Maintaining high productivity remains a challenge for managers. To sustain a high level of productivity and employee motivation, continuous managerial development and adaptation of leadership styles to the specific needs of the hotel and the market is recommended.

Ji et al. (2022) studied the impact of participative leadership on hotel employees in China and concluded that this style has a strong influence on employee enthusiasm for work, as well as their behavior in direct service delivery. In contrast, enthusiasm is less evident under traditional leadership. These findings suggest that the application of appropriate leadership styles can contribute to improving hotel operations and employee satisfaction, as well as enhancing the customer experience and the hotel's competitiveness in the market.

5. CONCLUSION

Based on the analyzed studies on leadership in the hospitality industry, it can be concluded that there is no universal leadership model that can be applied across all hotel organizations. Different leadership styles bring various benefits and levels of efficiency in operations, as well as increased employee satisfaction. The research process is dynamic and should be continuous, as there is a constant pursuit of new findings aimed at overall business improvement and development.

Future research should focus on analyzing combined leadership styles, as the integration of different approaches may contribute to greater long-term sustainability and competitiveness in the hotel industry. Research efforts should also aim to improve the adaptation of leadership styles to the specific characteristics of hotels in various geographic and cultural contexts.

A key conclusion is that empowering leadership holds significant practical relevance in the hospitality industry. Employees on the front lines of guest interaction, when given decision-making autonomy, can improve service quality and contribute to the overall enhancement of business operations. Moreover, the autonomy delegated by leaders has a positive effect on employees' work enthusiasm, which in turn enhances the hotel's reputation.

Overall, it can be concluded that, for successful operations in the hospitality sector, it is essential to implement leadership styles that promote employee autonomy and thus contribute to improved service quality and market competitiveness.

REFERENCES

- Al Khajeh, E. H. (2018). Impact of leadership styles on organizational performance. *Journal of human resources management research*, 1-10.
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership* (2nd ed.). Psychology Press.
- Bavik, A., & Koseoglu, M. A. (2022). Intellectual structure of leadership studies in hospitality and tourism. *International Journal of Contemporary Hospitality Management*, 34(12), 4562–4591. <https://doi.org/10.1108/IJCHM-10-2021-1264>

- Bhatti, N., Maitlo, G. M., Shaikh, N., Hashmi, M. A., & Shaikh, F. M. (2012). The impact of autocratic and democratic leadership style on job satisfaction. *International Business Research*, 5(2), 192.
- Fahlevi, M., Aljuaid, M., & Saniuk, S. (2022). Leadership style and hospital performance: Empirical evidence from Indonesia. *Frontiers in Psychology*, 13, 911640. <https://doi.org/10.3389/fpsyg.2022.911640>
- Fouad, M. (2019). Impact of leadership style on employee job satisfaction in the hospitality industry. *International Journal of Heritage, Tourism and Hospitality*, 13, 1–12. <https://doi.org/10.21608/ijhth.2019.35101>
- Greenleaf, R. (1998). Servant leadership. In L. C. Spears (Ed.), *Insights on leadership* (pp. 55–74). John Wiley & Sons.
- Grudić Kvasić, S. (2018). The influence of leadership on organizational success in the hotel industry (Dissertation). University of Rijeka, Faculty of Economics. (in Croatian). <https://urn.nsk.hr/urn:nbn:hr:192:771498>
- Hu, J., & Liden, R. C. (2011). Antecedents of team potency and team effectiveness: An examination of goal and process clarity and servant leadership. *Journal of Applied Psychology*, 96(4), 851–862. <https://doi.org/10.1037/a0022465>
- Ji, L., Ye, Y., & Deng, X. (2022). From shared leadership to proactive customer service performance: A multilevel investigation. *International Journal of Contemporary Hospitality Management*, 34(11), 3944–3961. <https://doi.org/10.1108/IJCHM-11-2021-1237>
- Jovičić Vuković, A., Damnjanović, J., Papić-Blagojević, N., Jošanov-Vrgović, I., & Gagić, S. (2018). Impact of leadership on innovation: Evidence from the hotel industry. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, 23(3), 57–66. <https://doi.org/10.7595/management.fon.2018.0008>
- Kara, D., Uysal, M., Sirgy, M., & Lee, G. (2013). The effects of leadership style on employee well-being in hospitality. *International Journal of Hospitality Management*, 34, 9–18. <https://doi.org/10.1016/j.ijhm.2013.02.001>
- Kreitner, R., & Kinicki, A. (2012). *Organizational behavior*. McGraw-Hill Education.
- Lewin, K., Lippitt, R., & White, R. K. (1939). Patterns of aggressive behavior in experimentally created social climates. *Journal of Social Psychology*, 10, 271–301.
- Lin, M., Ling, Q., Luo, Z., & Wu, X. (2019). Why does empowering leadership occur and matter? A multilevel study of Chinese hotels. *Tourism Management Perspectives*, 32, 100556. <https://doi.org/10.1016/j.tmp.2019.100556>
- Llorens Montes, F., Huertas, I., & Rojo, A. (2019). Effects of different leadership styles on hospitality workers. *Tourism Management*, 71, 402–420. <https://doi.org/10.1016/j.tourman.2018.10.027>
- Lončar, J. (2023). Leadership in the function of improving the quality of services in the hotel industry (Doctoral dissertation). Singidunum University, Belgrade. (in Serbian).
- Luo, A., Guchait, P., Lee, L., & Madera, J. M. (2019). Transformational leadership and service recovery performance: The mediating effect of emotional labor and the influence of culture. *International Journal of Hospitality Management*, 77, 31–39. <https://doi.org/10.1016/j.ijhm.2018.06.004>
- Ozturk, A., Karatepe, O. M., & Okumus, F. (2021). The effect of servant leadership on hotel employees' behavioral consequences: Work engagement versus job satisfaction. *International Journal of Hospitality Management*, 97, 102994. <https://doi.org/10.1016/j.ijhm.2021.102994>

- Petrović, M. (2013). Caring for employees as a principle of quality management: A case study of the hotel chain Intercontinental Hotels Group. *Ekonomski signali*, 8, 1–17. (in Serbian).
- Petrović, M. (2024). Servant leadership and its impact on employees' psychological capital. *CORE*. (in Serbian).
- Rabiul, M. K., & Yean, T. F. (2021). Leadership styles, motivating language, and work engagement: An empirical investigation of the hotel industry. *International Journal of Hospitality Management*, 92, 102712. <https://doi.org/10.1016/j.ijhm.2020.102712>
- Stanojević, I. (2012). Leadership and hotel management in Belgrade on the example of the Hyatt Regency hotel (Master's thesis). Singidunum University, Belgrade. (in Serbian).
- Stavrinoudis, T., & Chrysanthopoulou, D. (2015). The role of leadership in building and managing corporate reputation of 4 and 5 star hotels. *Tourism and Hospitality Research*, 17. <https://doi.org/10.1177/1467358415613392>
- Stefanović, V. (2017). The influence of transformational leadership on the motivation of employees in tourism. Monograph, Faculty of Science and Mathematics, Niš. (in Serbian).
- Su, L., Houghton, J. D., Chen, S., & Zou, W. (2022). Does organizational empowerment promote self-leadership in hotel management? *Journal of Hospitality and Tourism Management*, 53(1), 165-175. <https://doi.org/10.1016/j.jhtm.2022.10.003>
- Vlahović, S. (2008). Leadership in modern organizations. *CID*. (in Serbian)