The Mediating Role of Organizational Culture on the Relationship between Employee Performance and Antecedents in the Hotel Sector

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Abstract: Hotel managers face more risks and complexity in their work environment compared to their manufacturing firms' counterparts owing the unique service characteristic offered by hotels. The hotel managements' budgetary participation and their leadership styles, commitment quality management practices (QMPs) in terms of communications can all assist them in tackling the uncertain and risky environment for better performance of jobs. This article defined and measured leadership style, organizational commitment, quality management practices (QMPs) and their impact on organizational performance, and examined the moderating role of organizational culture on the above relationship. The article conducted an analysis of the empirical studies and models that related leadership style, organizational commitment, quality management practices (QMPs), organizational culture and performance. It primarily aimed to illustrate the conceptualization, measurement and examination of the different concepts. Following the analysis of literature, the findings showed that leadership style, organizational commitment, quality management practices (QMPs) and organizational culture significantly affects various hotel processes, employees and performance. The article also provided a description of the various dimensions of the leadership style and it found that with committed employees with norms and values consistent to those of the organization, the performance of the hotels can increase towards achieving its goals. This article suggests that the balanced scorecard (BSC) be used as a tool to measure performance in the performance management system. It also suggests that future studies focus in this area to shed light on the nature and the ability of variables to influence hotel performance. Hotel management and leaders are suggested to form robust quality management practices within the hotels to enhance its overall performance.

Keyword: Leadership style, commitment, quality management practices (QMPs), culture, performance, hotel.

INTRODUCTION

The dynamic competition among hotels and the ongoing pressure to perform better stemming from the saturation in the market call for the need to enhance the performance of hotels in the hotel industry (Assaf, Josiasssen & Cvelbar, 2012; Pavia, Grzinic & Floricic, 2014; Wang, Chen & Chen, 2012). With the continuous expansion of the hotel brands in the international arena, the selection of an attractive tourist destination that will provide the best returns has become the focus of most debates and contentions concerning issues faced by the hotel providers around the globe (Yang, Wong & Wang, 2012). Despite the extensive studies conducted to investigate the importance of the characteristics of the destination in light of the decision making process, there is still lack of research that identify and rank the determinants of hotel performance. To this end, Assaf and Jossiassen (2016) recently stressed on the fact that while over 50 empirical studies have attempted to measure and conduct a comparison among the international hotels’ performance, the determinants of such hotel performance in the tourism sector have been confined to only a few studies. This holds true in the context of Jordanian hotel sector.

Like most of the Middle Eastern tourism destinations, Jordanian tourism sector is quite significant to the economy owing to its contribution to the same. More specifically, the accommodation industry, as an element of the tourist product is core to identifying the overall tourism experience. A considerable time is spent by travelers in hotels, where they sleep, relax and do business. In this regard, hotel guests are expected to complain when dissatisfied, but in actuality, only a small proportion of guests complain to management in this situation (Dincer & Alrawadieh, 2017).

This research has its basis on the notion that guests that avail Jordanian hotels may experience more burden when have to draw up complaints. This is due to the language barriers, traveler’s expectations and inaccurate/accurate information concerning the host culture, and because Jordan is located in a region that is considered as unstable. Hence, hotel performance review in this case becomes essential during this period to determine the sector’s problems.

Moreover, the low rate of occupancy in hotels may not be related merely to the factors of demand and
supply. In the context of luxury hotels, the low rates of occupancy are not likely to be related with the introduction of the informal accommodation sector (Zervas, Proserpio & Byers, 2014). The Jordanian accommodation sector is evidently faced with challenges that hinder its achievement of high occupancy rates. The scenario is such that by early 2015, four of the five-star hotels in Jordan – Petra were forced to foreclose owing to the very low rates of occupancy (Dincer & Alrawadieh, 2017).

This paper contributes by identifying the major factors leading to hotel performance from the viewpoints of employees' in luxury hotels. The study sheds light on the performance of hotels in managing their reputations based on their employees’ responses and perceptions. The identification of the factors leading to the employees’ performance in Jordan can also provide information in comprehending the situation in the neighboring nations like Egypt and Lebanon that offer similar tourist products/services as well as patterns of culture (language, religion and traditions). This paper is expected to obtain the attention of hotelier leaders and government decision-makers to the employees take on how to provide suitable services to hotel patrons.

LITERATURE REVIEW

Employee Performance

Any organization would be unable to achieve its goals successfully through the hard work of a single or few individuals in the company. In other words, all employees have to perform well to achieve successful performance. Performance, in fact, is a concept that has multiple dimensions that companies have to be aware of in terms of their effects on strategies and goals. To this end, employee performance has significant contributions to the core running of the organization. Employee performance can be gauged through their productivity and efficiency as their growth and performance is a reflection of the performance of the organization. This brought about the understanding of organizations concerning the importance of their employees as assets because without employees, an organization cannot accomplish its goals (Mwita, 2000).

The concept of employee performance refers to the level and quality of effort, cooperation, commitment, lateness and absenteeism, and compliance of employees with the organization’s standards (Kuranchi-Mensah & Amponsah-Tawiah, 2016). Similarly, Yuan and Woodman (2010) described it as the employees working to achieve specific work that leads to positive outcomes and behaviors. Meanwhile, McConnell (2003) stated that employee performance is individual worker’s achievement and contribution that is quantifiable. It is a concept with complex aspects that is susceptible to the effects of several variables (Popovich & Brizius, 1998), that include age, gender, employee recognition and job satisfaction (Fort & Voltero, 2004; Wright & Bonett, 2002).

Leadership Styles

There are several leadership styles, with each bringing about different outcomes that directly or indirectly impact the employees’ attitudes and behaviors. Literature shows that transformational leadership behavior is positively related to outcome variables, whereas transactional leadership behavior is often negatively related to long-term performance. Prior studies also evidenced that transformational leadership positively relates to the self-efficacy, motivation, creativity of employees and organizational performance (e.g., Bronkhorst, Steijn & Vermeeren, 2015; Jyoti & Bhau, 2015; Newland, Newton, Podlog, Legg & Tanner, 2015).

In contrast, transactional leadership has been evidenced to improve job satisfaction and organizational identification compared to its transformational counterpart (Epitropaki & Martin, 2005; Zhang, Waldman, Han & Li, 2015). Moreover, transformational leaders assist workers to adapt to the changes in the organization (Bommer, Rubin & Baldwin, 2004). In sum, transformational and transactional leadership styles affect employees’ attitude towards their leaders, their job performance and ultimately, the productivity of the organization they work in.

Considerable portion of literature evidenced the impact of leadership style on job performance (e.g., Ariyabuddhiphongs & Kahn, 2017; Elbaz & Haddoud, 2017; Gao, 2016; Wahab, 2016).

Transformational Leadership

One of the top popular theories in the field of leadership is transformational leadership. It has been deemed to be an important topic in leadership for over two decades (Bruch & Walter, 2007; Keskes, 2014). Such interest and focus is compounded by the notion that transformational leadership could result in positive relationships with employees, performance motivation,
commitment and effective leaders. Added to this, this style of leadership is robust throughout conditions and it can be applied in various cultures unlike other leadership styles (Ivey & Kline, 2010). Transformational leadership is also related to individual outcomes that are of significance to the successful running of organizations like creativity, satisfaction, performance, organizational commitment, work withdrawal, task performance and organizational citizenship behavior as well as absenteeism (Cheung & Wong, 2011; Omar, 2013).

Several authors have also evidenced the impact of transformational leadership style on job performance (e.g., Bacha, 2014; Chu & Lai, 2011; Herman & Chiu, 2014; Liang & Chi, 2011; Sani & Maharani, 2012).

### Transactional Leadership

Transactional leadership style is also one of the alternative leadership styles to transformational style that has been studied by several authors. This leadership style has its basis on the premise of reciprocal leader-follower relationship (Vito, Higgins & Denney, 2014). It expounds on the relationship between leaders and followers, within which they exchange economic, political and psychological values in exchange for standards of performance (Ravichandran & Gilmore, 2007). Moreover, transactional leaders enter into a cost benefit economic exchange with their subordinates as the latter's needs (material and psychic) are met in exchange for achieving standard work performance (Sarros & Santora, 2001). In this leadership style, subordinates are expected to consent to, accept and adhere with the leader's words in to obtain his rewards, praise and resources and to steer clear of his meted out punishments (Liu, Liu & Zeng, 2011).

In comparison to transformational leadership, transactional leadership concentrates on short-term, daily leadership (Rowold & Schlotz, 2009), during which leaders requiring information or subordinates with skill-solving skills create a negotiation situation that incurs time as negotiation takes place as opposed to productivity (Vito et al., 2014). It is a more passive leadership style that calls for oversight of deviations, mistakes and errors and rectifying the problems as they arise (Obiwuru, Okwu, Akpa & Nwankwere, 2011). This leadership type limits the development of the innovative and creative skills of employees and prevents them and the organization from growing (Dai, Dai, Chen & Wu, 2013).

Significant number of studies has evidenced the impact of transactional leadership style on job performance (Chu & Lai, 2011; Politis, 2001; Rowold, Borgmann & Bormann, 2014; Zhang, LePine, Buckman & Wei, 2014).

### ORGANIZATIONAL COMMITMENT

Researchers have reached a consensus as to the organizational commitment being a determinant of organizational performance. The term organizational commitment is described as the individual’s participation and classification with the organization in that there is a societal relationship that links the two (individual and organization) together. Individuals who are highly committed have a tendency to engage in extra role behavior. Moreover, organizational obligation controls such extra role behavior.

More importantly, the top significant and acknowledged definition in literature of organizational commitment is by Meyer and Allen (1984). They provided three dimensions of the term and they are affective commitment, normative commitment and continuance commitment.

Evidence also abounds of the role of organizational commitment on organizational performance; to begin with, Clarke (2006) focused on the commitment and network performance in the healthcare units in the U.K., and revealed that affective as well as normative commitment statistically and significant impacted performance. Moreover, he found affective commitment to positively relate to the performance of the network, but continuance commitment to be negatively so. He reached to the conclusion that commitment-performance relationship in networks is complex. In a similar line of study, Abdul Rashid, Sambasivan and Johari (2003) examined 202 Malaysian companies managers and found corporate culture and organizational commitment to be interconnected and they had considerable impacts on performance. Furthermore, a significant proportion of literature indicated that organizational commitment could have an effect on job performance (Navanitham, 2016; Nor Hidayah, 2016).

### QUALITY MANAGEMENT PRACTICES (QMPs)

According to Deming (1986), the system of production and service in an organization has to be continuously enhanced in terms of their quality for performance improvement. One of the derivative advantages of QMPs is that the company employees
gets highly involved in the design of the effective system and they share on its achievement – such sharing of activity not only generates effective solutions but also motivates the enhancement of organizational performance (Jackson & Ashton, 1995). In several studies including Feng, Terziovski and Samon’s (2007), QMPs were revealed to positively influence the performance of organizations. In sum, QMPs implementation is predicted to lead to enhanced performance of the organization (Kumar, Choisne & de Groisbois & Kumar, 2009). Other studies in the field, time and again, showed a relationship between QMPs and organizational performance (e.g., Brah & Lim, 2006; Saizarbitoria, Landin & Fa, 2006; Li, Anderson & Harrison, 2003; Kapuge & Smith, 2007; Martinez-Costa & Martinez-Lorente, 2007; Sila, 2007; Yasin, Alavi, Kunt & Zimmerer, 2004). Therefore, this study expected a positive QMPs implementation-organizational performance relationship.

ORGANIZATIONAL CULTURE

The concept of organizational culture showed progressive evolution in the mid-20th century and ever since then, authors have proposed several definitions of the concept, with the commonality among them being organizational culture comprises the values, beliefs and assumptions shared or relayed among the members of the organization (Schein, 2010) – they work as guidance of behavior and facilitate shared understanding (Alvesson & Sveningsson, 2005; Denison, 1996).

Organizational culture has been extensively examined in literature for its effect on performance. To begin with, Abdullah, Shamsuddin, Wahab and Hamid (2014) revealed a significant role of organizational culture as a compass and level guiding the behavior of the organizational members. Also, Barney (1991) described organizational culture as the primary resource that is utilized by organizations for the maintenance of their competitive advantage and several studies have looked into its impact on performance (Shahzad, Luqman, Khan & Shabbir, 2012), and some evidenced a significant relationship between the two (e.g., Kemp & Dwyer, 2001). Despite the varying conceptualizations of organizational culture in literature, the present study adopts the competing values framework (CVF) as it reveals the relationship between the two constructs (organizational culture and organizational performance effectiveness) (Gregory, Harris, Armenakis & Shook, 2009; Hartnell, Ou & Kinicki, 2011).

Studies have made use of varying versions of organizational culture and organizational performance to examine the relationship between them. For instance, Gordon and DiTomaso (1992) and Denison and Mishra (1995) revealed that a robust culture positively relates with financial performance in the short run, while Heskett and Kotter (1992) revealed that with adaptive values culture, the long-run performance can be improved rather than the short run. Along the same line of study, Lee and Yu (2004) examined the organizational culture types in terms of their relationships in the context of Singaporean firms and revealed that the organizations cultural strength is interconnected to their performance. Their findings also revealed that cultural elements differentiating organizations from one another positively impact their performance. In Tajeddini and Trueman’s (2012) study, they involved 96 businesses in the Swiss hotel industry and found that the dimensions of national culture (power distance, long-term orientation and individualism) positively related with innovation and customer orientation, and innovation and customer orientation positively related with organizational performance. In Taiwan, Chen (2011) also found that a customer-focus strategy in organizations assist in achieving long-term profitability. Their results are consistent with prior studies that promoted the customer orientation view as the culture of the organization and argued that for long-term performance, a market culture is a must that requires recruiting well-qualified and experienced workforce (Desphande, Farley & Webster Jr., 1993).

Extant literature also recommended the examination of organizational culture’s direct relationship with performance (e.g., Elnihewi, 2015; Umran, 2016; Wunderlich & Beck, 2017) and the moderating role of organizational culture on the quality management practices-performance relationship (Romle, 2014). This paper examines organizational culture’s moderating role in the context of Jordanian luxury class hotels.

THEORETICAL FRAMEWORK

This article aims to determine the relationship between leadership style, organizational commitment, quality management practices and hotel performance, with the moderating role of organizational culture. An analysis of literature concerning the sources and causes of public sector organizational performance, highlights various theories. In this article two dominant perspectives are selected as they are aligned with the study objectives and framework. They are the
resource-based view (RBV) theory and the systems theory. Detailed explanation of the two is provided in this section with justification of their selection.

First, the resource-based view (RBV) theory posits that competitive advantage and performance outcomes stem from firm-specific resources and capabilities that are costly to imitate by the rivals (Barney, 1986; Barney, 1991; Rumelt, 1987; Wernerfelt, 1984). Such resources and capabilities function as significant factors that can bring about the competitive advantage’s sustainability and superior performance, on the condition that the firm has specific characteristics. These resources have to be valuable, efficient and effective, rare, inimitable and non-substitutable (VRIN) (Barney, 1991). As such, a firm may be capable of sustaining its resources to make it stand out from its rivals in order to achieve success in a dynamic marketplace rife with competition (Amit & Schoemaker, 1993; Carmeli & Tishler, 2004; Collis & Montgomery, 1998; Dierickx & Cool, 1989).

To this end, organizational culture and leadership style may be considered as a unique intangible asset of the organization that influences its performance (Lo, 2012). Both culture and leadership styles are considered as the independent variables of this study, and their influence on the performance of organizations is the main aim of the study, with the help of RBV theory. The RBV theory is suitable for this study as it has been indicated by other prior studies that it adopts a specific organizational culture (bureaucratic, supportive, innovative) and a specific leadership style (transactional, transformational) and consider them as distinct resources that could assist the firm in obtaining competitive advantage and enhance performance (Lok & Crawford, 2004; Ogbonna & Harris, 2000).

Additionally, by achieving employee job satisfaction and motivating the affective commitment of employees, the organization may obtain tangible and intangible advantages (Oz, Derekoylu, Buyukbay & Yildiz, 2013). The RBV theory was also employed by Qureshi, Hayat, Ali and Sarwat (2011) to examine the mediating impact of job satisfaction and organizational commitment on the leadership styles-organizational performance relationship. It was also used in the study conducted by Obradovich (2009) who focused on the leadership and culture influence on the U.S. troubled firms financial performance.

This article considers the QMPs implementation as one of the organizational efforts made to enhance the internal environmental processes to ensure optimum performance. Therefore, this article proposes that the systems theory is also suitable to be used to be the

![Figure 1: Theoretical Framework.](image)
underpinning theory. In sum, both the RBV theory and the systems theory are used by the researcher for the interpretation and explanation of the Jordanian hotels performance.

CONCLUSION

The reviewed studies in this article mainly pointed to the poor performance of majority of hotels but this does not seem to be significantly deviated from the service and manufacturing SMEs performance. Some of the firms that adopted performance style seem to have done so without direction and strategy and without integrating it to their business strategy. This matter is still ambiguous in the context of SMS as it may be that the good performance style adoption can lead to significant performance. In other words, it is not clear whether the adoption of performance style by itself can be deemed as performance.

Literature shows that performance may be beneficial, although this article only focused on larger organizations in the form of Jordanian hotels. In this regard, the link between quality management practices, commitment, leadership style and performance as promoted by organizational culture is still inconclusive. While this linkage is still tenuous, it can only be confirmed if future studies focus on larger businesses in the retail and financial services sector.

There is an evident need for studies relating to the hospitality sector and thus, this article recommends that future studies investigate the relationship between QMPs, commitment, leadership style and performance, with the organizational culture as the moderating variable. Also, particularly focus should be laid on the examination of factors that have the potential to bring about the employees’ perception of ‘concern for employee well-being’.

Finally, this article recommends future studies to carry out surveys by distributing questionnaires among five star hotels in Jordan, to determine the impact of the study variables on the employees’ performance. This will have significant implications to hotel managers and the resolution of the issues they face in the sector.

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