Suitable Leadership Style for Service Industry in Bangkok

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Abstract
The main research question for this study “which leadership style is the most suitable for hotel industry in Thailand”. This study adopted a case study of Centara hotel & Resorts hotel chain. Study was conducted using anonymous online questionnaire. The Structural Equation Modeling (SEM) was used to test structural relationship in the model between various variables in the study. The finding of this study suggested that there is a significant relationship between autocratic relationship, high turnover intention, and low job satisfaction. In addition, the study found significant correlation between transformational leadership and democratic leadership with high job satisfaction and low turnover intention. This finding suggested that autocratic relationship is an ineffective leadership style to govern hotel employees in Thailand. On the other hand, both transformational leadership and democratic leadership are both effective leadership style that can possibly enhance employee job
satisfaction and reduce turnover intention. With consideration to the various departments in
the hotel, the study also found that front office or reception, as well as food and beverage
service department have significant correlation with democratic leadership style. Other
leadership styles, including Laissez faire leadership, autocratic leadership, charismatic
leadership, and transactional leadership show no significant relationship with employee job
satisfaction and turnover intention. Thus, the finding of this study identified effective
leadership style for hotel industry as transformational leadership and democratic leadership.
The finding obtained from this study is novice and contribute greatly toward existing body of
research as none of the past study have been conducted to investigate effectiveness of various
leadership style in the context of Thai ever before. Lastly, this research is also extremely
useful for hotel strategic human capital management to be able come up with the winning
HRM & HRD strategy to get the right kind of leaders and potential successors in their
organizations in a highly rivalry intensity of over-supply hotel industry.

Keywords: Hotel industry, leadership style, service industry, suitable leadership

1. Introduction

Due to intense competition in this industry, it is crucial that hoteliers enhance its competitive
advantage and maintain its market share. Since hotel is in service industry, customer service
is the key toward the success in this market. While customer service is valuable, hotel
employees are exceptional assets as they are the one who deliver services to hotel guest.
However, many hotels face difficulties in human resource management, particularly
employee retention. Turnover is a major issue for hotel sector, which causes significant
disruption upon their departures (Narkhede, 2014). Past study documented that the annual
turnover rate of hotel manager is as high as 80% (Wood and McCauley, 1989). Scholars
suggested that impacts of employee turnover for hotel business can be divided into direct
expenditure and intangible cost (Narkhede, 2014). High turnover rate is undesirable due to
the associated incurred cost. Hotel are required to invest additional fund toward recruitment
for replacement, as well as training, which are often very costly (Williams and O-Acheampong, 2016). Costs can also incurred indirectly from reduced productivity due to
unfamiliarity of workplace, and poor service quality as a consequence of insufficient
manpower (Aksu, 2004). Hotel reputation can also be damaged from the compromised
standard and low morale as a result of the constant departure of colleagues (Narkhede, 2014).
One factor influences employee turnover is leadership (Govindaraju, 2018). Past research
suggested that 75% of individuals leave their job because of their bosses, which indicates that
leaders role and their leadership styles are essential in employee retention (Ngethe, 2012).
Leadership is a determinant of employee retention because it influence the level of job
satisfaction (Rad and Yarmohammadian, 2006a). Due to the of employee turnover in hotel
business and the significant of leadership in employee, the aim of the study is to investigate
the suitable leadership style for service industry in Bangkok.

1.1 Rationale and Significance of the Study

There are multiple reasons for hotel operator to maintain and enhance its competitive
advantage. First, the growing expansion of hotel sectors in Thailand results in highly
competitive market, which means that hotels need to put in more effort in order to maintain its market share. In addition, Thailand has encountered oversupply situation as shown by the diminished average occupancy rate in the past i.e. between 2000 and 2014. This situation reflects that it is important for hotel to maintain its competitive advantage so that they can survive or minimally affected by oversupply situation. Moreover, additional supply and competitive also comes from the growing number of condominiums and apartment in which the owner offers daily rental, usually by Airbnb. For these reasons the industry is highly competitive, and it is challenging for all hotels even five stars hotel to maintain its market share and strive in this intense industry. One way to enhance competitive is through customer satisfaction, which highly depends on customer service. This fact means that employees, especially those in direct contact with the hotel guests are valuable assets of the company. For this reason, human resource management is particularly important for this industry. Despite the importance of employees in hospitality industry, the industry demonstrates high turnover rate due to various reasons including leadership style. That being said, very limited number of studies have been done to investigate effectiveness of leadership style in enhancing employee retention. None of the study have been done in the context of Thai. Preference of leadership style may be affected by cultural influence. Thus, conducting a study specifically in Thai context is essential in obtaining reliable data that can be applied in business world. In addition, limited number of studies have been done to specifically look at luxury hotel. Customers staying at luxury hotel are often more demanding as they expected more due to the tremendous amount of money they paid. The demandingness of the customer can be stressful to hotel employees at a point in time, which may adversely impact the turnover rate and increase their demand for appropriate leadership. For this reason, it is crucial to conduct a study concerning luxury hotel industry. The knowledge obtained from this study will be helpful for luxury hotel operators to better manage its human resources and enhance its competitive advantage.

1.2 Research Questions and Objectives

Research question: Which leadership style is the most suitable for hotel industry?

- **Research objective 1:** To determine the most effective leadership style for hotel industry
- **Research objective 2:** To determine the most effective leadership style in retaining hotel employees in Bangkok.
- **Research objective 3:** To determine the most effective leadership style in enhancing employees’ satisfaction

1.3 Scope of the Study

This study focuses majorly on luxury hotel industry in Bangkok and metropolitan area.

2. Literature Review

Thailand is one of the nations with the most developed tourism markets in Asia. According to UNTWO, Thailand continues to risk in the rankings as the world’s top tourism destinations.
Thailand moved up the ranks to 3rd place from 5th place regarding tourism receipts in its second year of double-digit growth, which is equivalent to 50 billion USD in 2016 (Table 1). The country also climbed up to 9th position in term of international tourist arrivals (33 million) (table2) (World Tourism Organization, 2017).

By 2020, the number of visitors in Thailand is expected to rise to more than 40 million where the majority of the visitors will continue to arrive from the Asia Pacific region and Europe. Bangkok, Thailand’s capital city, is among the top 10 of the World’s most attractive cities. Thus, tourism industry is one of the country’s main economic sectors accounting for 6-7% of its GDP. Revenue in this industry reached 2.5 trillion THB or 71 billion USD in 2016 with 870 billion contributing from domestic market and 1.6 trillion from international markets. The average daily spending of tourists in Thailand is 5,100 THB per person in 2016 and the value is expected to grow (Netherlands Embassy in Bangkok, 2018).

Table 1. International tourism receipts

| Rank | International tourism receipts | US$ (billion) | Change (%) | Local currencies | Change (%) |
|------|--------------------------------|--------------|------------|------------------|------------|
| 1    | United States                 | 205.4        | 7.0        | 7.0              | 0.3        |
| 2    | Spain                         | 56.5         | -13.3      | 6.9              | 3.8        |
| 3    | Thailand                      | 44.9         | 16.9       | 11.0             | 23.0       |
| 4    | China                         | 45.0         | 2.1        | 1.2              | 3.6        |
| 5    | France                        | 44.9         | -22.9      | -5.3             | -7.6       |
| 6    | Italy                         | 39.4         | -13.3      | 2.0              | 3.8        |
| 7    | United Kingdom                | 45.5         | -2.3       | -12.9            | 5.2        |
| 8    | Germany                       | 36.9         | -14.8      | 1.4              | 2.0        |
| 9    | Hong Kong (China)             | 36.2         | -5.8       | -9.1             | -5.8       |
| 10   | Australia                     | 28.9         | -6.2       | 12.3             | 10.2       |

Source: UNWTO.
Table 2. International tourist arrivals

| Rank | Country       | Series | 2015 (million) | 2016 (million) | 15/14 Change (%) | 16/15 Change (%) |
|------|---------------|--------|----------------|----------------|------------------|------------------|
| 1    | France        | TF     | 84.5           | 82.6           | 0.9              | -2.2             |
| 2    | United States | TF     | 77.5           | 75.6           | 3.3              | -2.4             |
| 3    | Spain         | TF     | 68.5           | 75.6           | 5.5              | 10.3             |
| 4    | China         | TF     | 56.9           | 59.3           | 2.3              | 4.2              |
| 5    | Italy         | TF     | 50.7           | 52.4           | 4.4              | 3.2              |
| 6    | United Kingdom| TF     | 34.4           | 35.8           | 5.6              | 4.0              |
| 7    | Germany       | TCE    | 35.0           | 35.6           | 6.0              | 1.7              |
| 8    | Mexico        | TF     | 23.1           | 35.0           | 9.4              | 8.9              |
| 9    | Thailand      | TF     | 29.9           | 32.6           | 20.6             | 8.9              |
| 10   | Turkey        | TF     | 39.5           | ..             | -0.8             | ..               |

Source: UNWTO.

Hotel industry in Thailand is growing. Figure 1 shows that RevPAR performance of Thailand continue to grow from 2014 to 2016 despite the decline in 2013. The average occupancy rate between 2000 and 2014 was 59%. The cause of oversupply is responsible by increasing number hotel and accommodation investors in fast-growing tourism of Thailand. Moreover, apartments and condominiums owners are offering daily rental of their properties despite being considered as an illegal action.

![Figure 1. Countries RevPAR Performance (local currency)](image-url)
2.1 Leadership Style

Leadership style is the most important item of leadership process (Wood, 1993). Researcher suggested that leadership styles are important tools to create motivated employees which in turn help to achieve organisational goals (Kavanaugh and Ninemeier, 2001). Thus, hospitality organisations including hoteliers should employ effective leadership to improve guest services and employee job satisfaction (Woods and King, 2002). Since the early 1900s studies on leadership have established a large pool of theoretical materials relating to leadership concepts. Leadership style is defined as an interaction process among individual groups that includes a structured or restructured situation, members’ expectations and perceptions (Bass, 1990). It is also defined as the pattern of behaviour that leaders act during work with and through others, as they perceive it (Hersey and Blanchard, 1993). In addition, other researcher proclaimed leadership style as the pattern of interaction between leaders and subordinates, which includes controlling, directing, techniques and methods that are used by leaders to motivate subordinates implementing the instructions (Miller et al., 2005).

2.2 Leadership Style in Hotel Industry

Characteristics of the hotel industry’s work environment include long operating hours, a fast pace of activities, a labor-intensive diverse work force, growing competition, and dynamic travel patterns which can lead to high levels of stress for those managing in it. It is also very capital intensive with large amounts of money tied up in physical structures, furnishings and equipment. The lodging industry at its best can be difficult to manage. The capabilities required of a hotel general manager are demanding due to the unique characteristics of the industry. This is because hotels typically operate 24 hours per day, seven days a week, and 365 days a year; demand fluctuates significantly by season and/or economic factors; there are high labor costs; and unique management skills are required to motivate a highly diverse complement of staff and team members (Blayney and Blotnicky, 2010, Rutherford, 2002). Compared to managers in other industries, these job characteristics may exert increased daily management pressures on hotel managers (Rutherford, 2002). In the hospitality industry, the most common leadership style is the autocratic style because of unpredictable demands in the hospitality industry (Al-Ababneh, 2013a). The history of autocratic leadership style in hospitality industry creates some difficulties to adopt the participative leadership style, since there are deep roots of autocratic leadership style in hospitality industry (Wood, 1993).

2.3 Leadership Style, Job Satisfaction and Turnover Intention

A study investigating relationship between transformational leadership and job satisfaction among flight attendants confirmed that transactional leadership has a stronger influence on job satisfaction than transformational leadership does in an airline company (Tasi and Su, 2011). Similarly, another study indicated that the relationship between transformational leadership and job satisfaction is a positive significant relationship in national oil company (Shurbagi and Zahari, 2012). While study performed in Malaysia confirmed that two types of leadership styles, namely, transactional and transformational were found to have direct relationships with employees’ job satisfaction (Voon et al., 2011), he results showed that transformational leadership style has a stronger relationship with job satisfaction in public
sector organizations. A study investigating the impact of autocratic and democratic leadership style on job satisfaction found that Leadership style has a positive impact on job satisfaction and public teachers have high level of job satisfaction rather than private teachers. The researcher concludes from the previous researches that leadership style has a relationship with employee’s job satisfaction in different sectors (Bhatti et al., 2012).

2.4 Conceptual Framework

3. Methodology

The tool for methodology development used in this study was the “research onion”, which was developed by Saunders, Lewise and Thornhill (2009). As shown in Figure 2, there are six layers to research onion including philosophy, approach to theory development, methodologic choice, research strategy, time horizon, and techniques and procedures Onion (Saunders & Lewis, 2009).
3.1 Techniques and Procedures

3.1.1 Sampling Design

3.1.1.1 Sampling Technique

In term of sampling technique, there are two main sampling techniques, namely probability sampling and non-probability sampling (Saunders & Lewis, 2009). The differences between the two sampling techniques are that probability sampling uses a random sampling technique to create a sample, while a non-probability sampling technique uses a non-random process (ibid, 2009). Due to a limited period of time, the non-probability sampling technique was more practical for this study. Firstly, this study relied on convenience sampling where the survey is given to close group of people that the researcher who that they are working in Centara hotels and resorts, based on convenience sampling, the researcher sent the link to the questionnaire to participants whom researcher has their contact detailed via e-mail, Line, or Facebook direct message. After convenience sampling, this study relied on snowball sampling, which is also referred to as chain-referral sampling, chain sampling, or referral sampling (Goodman, 1961). This technique allows researchers to acquire future participants from already recruited participants, i.e., the participants obtained through convenience sampling (ibid, 1961). This snowballing technique helped to acquire sufficient sample size in a shorter period of time. The researcher included a prompt at the end of the survey to encourage participants to share the questionnaire to people they know. The prompt also included the inclusion criteria, which are people who work in Centara hotel & resorts. This
information serves to ensure that the participant will be referring the survey to the right target population.

3.1.1.2 Target Population

Target population refers to the population of interest that meet the minimum requirement of the study (Brace, 2004). The identifying target population is important for the following step, which is sample size determination (ibid, 2004). The target population are employee of Centara Grand hotels and resort. There are around 1,000 employees working at Centara grand hotels and resorts (Owler, 2019).

3.1.1.3 Sample Size

Sufficient sample size is crucial for every research, especially those constructed based on positivism viewpoint (Cooper et al., 2003) as the sample size poses significant effect on the reliability of the results (Saunders, 2012). The estimated sample size of this study was done using Taro Yamane Formula at a 5% sampling error and 95% confidence level (Yamane, 1967). The calculation of sample size is detailed as followed.

\[ n = \frac{N}{1 + Ne^2} \]

\( n \) = sample size

\( N \) = population size

\( e \) = precision level

Therefore, \[ n = \frac{1,000}{1 + (1,000*0.05)^2} \]

\( n \) = 286 samples

According to Yamane’s formula for sample size calculation, the estimated sample size appropriate for this study is 286 samples. Thus, 286 questionnaires were distributed to employees of Centara Grand hotels and resorts.

3.1.2 Questionnaire Design

Preferential leadership style was assessed using the multi leadership questionnaire (MLQ). MLQ was chosen as a research instrument in this style because the purpose of using the MLQ which is to measure the perspectives of subordinates toward leadership style of the manager is similar to the objective of this study. While the initial MLQ concerns only two leadership styles namely transformational leadership and transactional leadership (Pimapunsri, 2014), this study assessed seven leadership styles including transformational leadership, transactional leadership, Laissez faire leadership, Situational leadership, Democratic leadership, Autocratic leadership, and charismatic leadership. Questionnaire of this study can be found in Appendix 1.

3.1.2.1 Validity of the Questionnaire

The questionnaire was presented to the supervisor for initial review. The questionnaire was then corrected and adjusted according to the comments and suggestions of the research
supervisor. Once the edition and final approval from research supervisor have been obtained, the questionnaire was sent to three colleagues working in human resource management. The Item-Objective Congruence (IOC) was used to evaluate the items of the questionnaire based on the score range from -1 to +1. The interpretation of the score range is as follow:

+1 indicates Congruent
0 indicates Questionable
-1 indicates Incongruent

The item had scored lower than 0.5 were revised. On the other hand, the items that had scores higher than or equal to 0.5 were considered as valid and were reserved (Rovinelli and Hambleton, 1977). The IOC value for each item was calculated using the summation of scores from each expert divided by the number of experts. The IOC value of every questionnaire item ranges from 0.66 to 1.0 (table 3). The values are all over than 0.5 indicating good content validity. The highest IOC of 1.0 was seen in most of the items while the lowest IOC (0.66) was observed in item TF5, DM5, and question 48.

| Question   | IOC 1 Expert 1 | IOC 1 Expert 2 | IOC 1 Expert 3 | Avg IOC |
|------------|----------------|----------------|----------------|---------|
| Question 6: TF1 | 1              | 0.5            | 1              | 0.83    |
| Question 7: TF2 | 1              | 1              | 1              | 1       |
| Question 8: TF3 | 1              | 1              | 1              | 1       |
| Question 9: TF4 | 1              | 1              | 1              | 1       |
| Question 10: TF5 | 0.5            | 1              | 0.5            | 0.66    |
| Question 11: TS1 | 1              | 1              | 1              | 1       |
| Question 12: TS2 | 0.5            | 1              | 1              | 0.83    |
| Question 13: TS3 | 1              | 1              | 1              | 1       |
| Question 14: TS4 | 1              | 1              | 1              | 1       |
| Question 15: TS5 | 1              | 1              | 0.5            | 0.83    |
| Question   | LF1 | LF2 | LF3 | LF4 | LF5 |
|------------|-----|-----|-----|-----|-----|
| Question 16: LF1 | 1   | 1   | 1   | 1   | 1   |
| Question 17: LF2 | 1   | 1   | 1   | 1   | 1   |
| Question 18: LF3 | 1   | 1   | 1   | 1   | 1   |
| Question 19: LF4 | 1   | 1   | 1   | 1   | 1   |
| Question 20: LF5 | 1   | 1   | 1   | 1   | 1   |
| Question 21: DM1 | 1   | 1   | 1   | 1   | 1   |
| Question 22: DM2 | 1   | 1   | 0.5 | 0.83|     |
| Question 23: DM3 | 1   | 1   | 1   | 1   | 1   |
| Question 24: DM4 | 1   | 0.5 | 1   | 0.83|     |
| Question 25: DM5 | 0.5 | 1   | 0.5 | 0.66|     |
| Question 26: AU1 | 1   | 1   | 1   | 1   | 1   |
| Question 27: AU2 | 1   | 1   | 1   | 1   | 1   |
| Question 28: AU3 | 1   | 1   | 1   | 1   | 1   |
| Question 29: AU4 | 1   | 1   | 1   | 1   | 1   |
| Question 30: AU5 | 1   | 1   | 1   | 1   | 1   |
| Question 31: CH1 | 1   | 1   | 1   | 1   | 1   |
| Question 32: CH2 | 1   | 1   | 1   | 1   | 1   |
| Question 33: CH3 | 1   | 1   | 1   | 1   | 1   |
| Question 34: CH4 | 1   | 1   | 1   | 1   | 1   |
| Question 35: CH5 | 1   | 1   | 1   | 1   | 1   |
| Question 36: SI1 | 1   | 1   | 1   | 1   | 1   |
### 3.1.2.2 Reliability Test

The reliability of the questionnaire was determined so as to ensure that the responses collected through the instrument were reliable and consistent. Reliability also indicates the accuracy and precision of the measuring instrument i.e. questionnaire. Reliability test was done through a pilot study. The questionnaire was tested with 30 hotel staff that were not in the sample group. The internal reliability value was calculated by using Cronbach’s alpha to ensure whether there was internal consistency within the items. The value of Coefficient Cronbach’s Alpha is as followed:

| Question | Value |
|----------|-------|
| ≥ 0.9    | Excellent |
| ≥ 0.8    | Good |
| ≥ 0.7    | Acceptable |
| ≥ 0.6    | Questionable |
| ≥ 0.5    | Poor |
| ≤ 0.5    | Unacceptable |

| Question | Coefficient Cronbach’s Alpha |
|----------|-----------------------------|
| Q40      | 0.83                        |
| Q41      | 0.66                        |
| Q42      | 0.5                         |
| Q43      | 0.7                         |
| Q45      | 0.8                         |
| Q46      | 0.9                         |
| Q47      | 0.6                         |
| Q48      | 0.5                         |
| Q49      | 0.7                         |

| Question | Value |
|----------|-------|
| Question | Value |
|----------|-------|
| Q37      | 1     |
| Q38      | 1     |
| Q40      | 1     |
| Q41      | 0.5   |
| Q42      | 1     |
| Q43      | 1     |
| Q43      | 1     |
| Q45      | 1     |
| Q46      | 1     |
| Q47      | 0.5   |
| Q48      | 0.5   |
| Q49      | 1     |
Based on the information, the value of Coefficient Cronbach’s Alpha must be at least 0.7 for research questionnaire to be reliable (Nunnally and Bernstein, 1994). To assess the reliability data were analyzed using Statistical Package for Social Sciences (SPSS). As shown in the table 4, the Cronbach’s alpha of the questionnaire used in this study ranges between 0.713 and 0.959. The Cronbach’s alpha as a result of the pilot test suggested demonstrated good reliability of the questionnaire.

Table 4. Results of reliability test

| Variables               | Cronbach’s Alpha | Cronbach’s Alpha based on Standardized items |
|-------------------------|------------------|---------------------------------------------|
| Transactional leadership| 0.862            | 0.891                                       |
| Transformational leadership| 0.713         | 0.806                                       |
| Laissez faire leadership| 0.834            | 0.834                                       |
| Situational leadership  | 0.862            | 0.891                                       |
| Democratic leadership   | 0.959            | 0.958                                       |
| Autocratic leadership   | 0.869            | 0.879                                       |
| Charismatic leadership  | 0.870            | 0.885                                       |
| Job satisfaction        | 0.853            | 0.854                                       |
| Employee turnover intention | 0.869        | 0.876                                       |

3.1.3 Data Analysis

The numeric data obtained through quantitative research method was analyzed using the Statistical Package for Social Sciences (SPSS) programmed. The data was imported to SPSS programmed and encoded for analysis. This study relies on the SPSS programmed for three purposes, including reliability testing, and descriptive statistics. In addition, this study adopted Structural Equation Modeling (SEM) to use for Confirmatory Factor Analysis (CFA), which help confirm the theoretical relationship among and between various variables in the study.
4. Conclusion

4.1 Effective Leadership Style in Retaining Hotel Employees in Bangkok

According to SEM analysis, leadership style that poses the most influence on turnover intention among hotel employees working in Bangkok was autocratic leadership. However, autocratic leadership has negative impacts on turnover intention. Autocratic leadership was found to be associated with high turnover intention. This finding corresponded with past study, which suggested that autocratic leadership generally has a negative reputation as the leadership style relies on centralization of power and decision making is usually more unilateral (Bass, 2008, Vugt et al., 2004). In addition, other study investigated the relationship of different leadership style on mobbing behaviors of superiors found among white-collar employees found that autocratic leadership increased the likelihood of mobbing behavior at workplace (Ertureten et al., 2013). Engaging in mobbing behaviors satisfies the authoritarian leader’s need for control and power over the subordinates (Aryee et al., 2007). Moreover, autocratic leaders are usually unable to manage their emotions and for this reason they are more prone to display abusive behaviors at workplace (ibid, 2007). As a result, subordinates under autocratic leadership styles usually have higher turnover intention due to unfavorable working environment due to the autocratic leadership style.

This study also found significant correlations between transformational leadership and democratic leadership with low turnover intention. The major reason contributing to this finding is possibly due to the value of the employees perceived by the superior. Transformational leader usually concentrate on the growth and development of value system of employees, their inspirational level and moralities with the preamble of their abilities (Ismail et al., 2009). This means that subordinates are highly valued. Moreover, the leadership style considers individual needs of each subordinates and individual leader personality. In term of democratic leadership, subordinates opinions are high valued (Woods, 2004, Cassel, 1063). Other researchers have also found the positive influence of democratic leadership on turnover intention i.e. reducing turnover intention among employee (Martindale, 2011, Amanchukwa et al., 2015).

4.2 Effective Leadership Style in Enhancing Employees’ Satisfaction

Job satisfaction among employees is highly associated with turnover intention in that employee with higher job satisfaction tend to display less turnover intention, and vice versa (Armstrong, 2003, Batura et al., 2016; Salman et al., 2016). Based on this suggestion, the study should obtain corresponding results between effective leadership style in reducing turnover intention and effective leadership style in enhancing employee satisfaction. Based on SEM analysis, the study found that transformational leadership was the leadership style that poses the most significant impacts on job satisfaction. This finding corresponded with other finding of this study that transformational leadership significantly reduces employee turnover intention. Transformational leadership is seen when leaders stimulate interest among their followers for new perspectives, develop them to reach higher levels of their potential, generate awareness among them for the mission and vision of the group, and motivate them to look beyond their own interests and consider the good of their group (Ismail et al., 2009;
Bass & Avolio, 1990) As such, transformational leaders transform their employees to reach higher performance standards and they initiate growth and change in the organization (Bass, 1990). Based on this emphasis of transformation leadership, employees have potential to grow and perform better. Thus, transformation leadership resulting in higher satisfaction (Bass, 1990).

4.3 Limitation and Future Research Direction

The limitation of this study is due to the research method. The study was conducted using an online questionnaire, which means that the sample size is limited by Internet penetration. Moreover, the study focuses only on hotel employees of Centara Grand Hotels and Resort, which means that the generalization of the result may not be valid. The study was also basing only on employees working in Bangkok and metropolis area meaning that the results may not be the same for employees working in other part of Thailand. Based on these limitations, future research should be done to ensure more generalization of the results, by involving hotel employees from other part of Thailand. This study also found significant influences of leadership styles on job satisfaction and turnover intention among hotel employees. Since ensuring job satisfaction and reducing turnover intention is essential in hotel industry with high turnover rate, future study could be done to account for other factors influencing job satisfaction and turnover intention. This way a human resource plan can be developed more comprehensively to reduce turnover intention and increase job satisfaction.

4.4 Conclusion

The aim of this study was to determine effective leadership styles that help enhance employee satisfaction and reduce employee turnover intention. Hotel industry is characterized by high turnover intention due to the demanding nature of the industry itself. Employees, however, are important assets to hotel industry as employees is key to exceptional customer service. Thus, maintaining low turnover intention and high employee satisfaction is highly essential. This finding suggested that authoritarian relationship is an ineffective leadership style to govern hotel employees in Thailand as the leadership style poses the most negative influences on turnover intention. On the other hand, both transformational leadership and democratic leadership are both effective leadership style that can possibly enhance employee job satisfaction and reduce turnover intention.

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