# Servant Leadership Style and Job Satisfaction in Dubai Hotel Industry: Trust in Leader as Mediator

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# **ABSTRACT**

Regarding the huge growth in economics for UAE and especially Dubai in the past few decades require a high level of leadership and management. The tourism and hotel industry of Dubai has reached to limits that even few years ago was thought as farfetched ideas. The vision about future is even more phenomenon. Leaders who act as a mere management representative and are not able to perform in various styles cannot be effective in this rapidly growing industry. For a leader, to show ineffectiveness means distrust, which lowers the satisfaction of a population in different aspects. Hence, leadership and trust are topics that require further examination. This study tries to determine the interaction among servant leadership and job satisfaction while utilizing the trust degree in leader as a mediator factor between leadership approach and level of satisfaction in job. The research was conducted on 260 employees in four different hotels in Dubai (Jood Plaza, Sadaf Delmon, Ibis international and Address hotel).

Correlation analyses have shown a positive and significant relationship between servant leadership, job satisfaction and trust. There is a large gap in the literature when it comes to the direct relationship of servant leadership and job satisfaction in general including hotel industry. This research hopes to fill the gap in the literature and enhance the achievement process for managerial level.

**Keywords:** servant leadership; trust in leader; job satisfaction; Dubai; Hotel industry.

ÖZ

Son yirmi, otuz yılda Birleşik Arab Emirlikleri, özellikle de Dubai'nin ekonomisinde

görünen gelişimin üst düzey liderlik ve yönetim gerektiği görülmektedir. Dubai'deki

turizm ve otel sektörünün geldiği nokta ise birkaç yıl öncesine kadar inanılası güç

fikirler olarak görülüyordu. Gelceğe bakış ise daha bir fenomen hal almıştır. Bu hızla

büyüyen sektörde ise basit bir temsilci konumunda olan ve farklı yönetim stratejileri

ile ilerleyemeyen liderlerin etkili olması mümkün değildir. Bir liderin etkili

nüfusun olmaması güvensizlik demektir ki bu da farklı konularda

memnuniyetsizliğine yol açar. Ayrıca, liderlik ve güvenin ayrı bir konu olarak

incelenmesi gerekmektedir. Bu araştırma, liderlik ve iş memnuniyeti arasındaki

bağlantıya bakarken, aynı zamanda liderlerin arabulucu rolünü üstlendikleri zaman

liderlik yaklaşımı ve iş memnuniyeti arasındaki güven derecesini incelemektedir. Bu

araştırma Dubai'deki farklı otellerde 260 çalışan üzerinde yapılmıştır. (Jood Plaza,

Sadaf Delmon, Ibis international and Address hotel).

Korelasyon analizi liderlik, iş memnuniyeti ve güven arasındaki ilişkinin olumlu ve

önemli olduğunu göstermiştir. Genel anlamda otel sektöründe liderlik ve iş

memnuniyeti arasında büyük bir boşluk vardır. Araştırmanın amacı bu boşluğu

doldurup yöneticilikteki başarının oluşumunu artırmaktır.

Anahtar kelimeler: liderlik; lidere güven; iş memnuniyeti; Dubai; otel sektörü.

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# LIST OF ABBREVIATIONS

OTI Organizational Trust Inventory

JSS Job Satisfaction Survey

SL Servant Leadership

TIL Trust in Leader

JSF Job Satisfaction

HR Human Resource

SLS Servant Leadership Survey

# Chapter 1

# INTRODUCTION

#### 1.1 Current Research Relevance

In all organizations (private or governmental), leadership is a factor which can affect performance more than any other. This impact is on behavior, thoughts and perspectives of others (Mills, 2005). Each leader uses a style of leadership which suits him/her preferences, values and thoughts. Leadership has a direct impact on the outcomes of any organization. This can include job satisfaction, commitment, well-being, and so on. The one style of leadership which emphasizes the human element is servant leadership (Shekari, and Nikooparvar, 2012).

Achievement is a result of a successful operation, whether individual or organizational. There are many factors which can influence any sort of operation. Communication, networking, economic factors, market environment and rivalry and so on could be among those influential factors. Nevertheless, capabilities and abilities of the HR department in organizations is a vital element. Relatively, employees with higher levels of know-how will help the firm to excel on a greater level. The nature of this aspect has been under various investigations from leadership behavior perspective (Greenleaf, 1977), the trust degree of employees in leaders (e.g. Northouse, 2010) and satisfaction level in job (House, 1974).

Servant leadership has been studied broadly in the Western culture. However, the literature lacks the investigation based on Eastern cultures. Servant leadership is about serving followers and to care about them and life of other people. Servant leadership emphasizes the element of trust (Hoveida et al., 2011). This yields in a better quality of the outcome/production and will further help for a more sustainable profit making (Smith, 1974; Judge, Thoresen, Bono & Patton, 2001).

In addition, a relationship among a leader and followers will not be as fruitful as if the element of trust lacks in presence. Trust in leader represents an effective performance by leader (Northouse, 2010; Skarlicki, Folger & Tesluk, 1999). According to David L. Mineo (2014) who made a comparison of trust with "glue" which attaches the followers and leader, thereby obtaining "capacity for organizational and leadership success" (p. 1).

# 1.2 Research Objectives

The subjects of trust, job satisfaction, and leadership have been under investigation extensively. However, there is a gap in the literature review about servant leadership (and its components) and its interaction with job satisfaction and trust in leader. Former studies on Servant leadership have focused on employees' workplace behaviors (e.g. Ehrhart, 2004; Janssen and van Yperen, 2004; Liden, 2014). This study endeavors to clarify and develop this area of interest. The initial aim of this study is the determination of servant leadership effects on job satisfaction via trust in leader with the role of mediator factor. Based on development of theoretical model, the following questions are noted:

- 1. How does servant leadership effect trust degree in leader?
- 2. How is the correlation between trust in leader and job satisfaction?
- 3. Does trust in leader have a mediating role on the leadership and job satisfaction relationship?

The main aim of this study is to further investigate and contribute to the literature while visioning to be of aid for managers.

#### 1.3 Research Outline

This thesis involves 7 chapters. The first chapter is to focus on subject and its relativity to the date. Further, to supply information for the goals of this research. Chapter 2 is to mention previous studies conducted in the literature on servant leadership, trust in leader and job satisfaction while tracking early articles related to the variables and their relationship. In Chapter 3, the hotel and tourism industry of Dubai and UAE and their importance for the country is explained, while identifying it as an area of research because of the highly rated tourism and marketing departments. The culture of leadership in UAE and Dubai is also discussed. Theoretical model and hypotheses of the research are stated in the 4<sup>th</sup> Chapter. Chapter 5 is upon the methodology of the thesis and method of approach among with the sample and the data collection. Also questionnaire development is described. Chapter 6 refers to the analysis and results in details. Descriptive analysis, hypotheses testing and other statistical factors are shown. Chapter 7 is the discussion and conclusion about the research with noting some possible future studies, recommendations and limitations are also mentioned.

# Chapter 2

# LITERATURE REVIEW

# 2.1 Leadership Definition

Hundred different definitions for leadership have been presented (Bass, 1990, pp. 11-18). Black and Mouton (1985, p. 198) noted that to reach results through and with others, are the processes of leadership, whether inside or outside of the organization. The leader can achieve organizational goals (for effectiveness) through the effort of employees and other people. It is not possible for any leader or manager to achieve objectives on their own as if it was the case, existence of organization and also leaders would be unnecessary.

#### 2.1.1 What is Leadership?

There is a difference between outside world definitions of leadership and in academia. In common words leaders are referred to people with high positions and titles in various organizations (e.g. political, religious, military, business, etc.). It is also believed as qualities possessed by some people. However, in academia there is a unity that leadership is indirect correlation between the one leader and leaders' followers. Academic researchers shed the common belief with the statement that all people with high positions are not certainly leaders though they might have authority and influence on their subordinates at some level, i.e. there are a huge amount of them with no followers, and no one is a leader at all times and under all circumstances for all groups.

This means that there is no permanent leadership but there are certain circumstances that some people are considered as leaders for a specific group of people. It has been noted that people with no leadership skills and qualities are not considered as leaders by any group at any time.

#### 2.1.2 What to Lead and who is led?

By psychology means, there should be a group to lead. Also, those being led and leader are assumed to pursue a common goal or set of goals (e.g. Hogan et al., 1994, p.493). Wallis (2002, p.59) notes that leadership is a process of collective influence which shifts a team and its members toward a mutual objective. Management as organization or groups is not based on sociable goals.

To approach and overcome tasks to achieve goals is what organizations are based upon. Employees in firms and companies do not necessarily contribute goals with their agencies or institutes; though, they may support the organization's objectives more or less. Leadership in its formal way is management and the official leader is CEO, supervisor, manager or any label aligned (Yukl, 2002).

#### 2.1.3 Are Leaders Born or Made?

Another difference between academia and common is that academia insists of leaders being made and common believes they are born as leaders. Avolio (1999) notes that "most psychologists believe leadership qualities are inmate or genetic and thus impossible to learn".

Although this is not a unity among all leaders in different organizations such as political, sports, or business, but many hold the belief that leaders should be born, though knowledge and management skills should be gained and their courage should be put to test by real experiences. In academia, however, it is assumed that all the

required skills for leadership can be learned and practiced (except intelligence). Arvey et al. (2007) studied identical and fraternal twins with behavioral genetics approach and found presumptive factors such as early opportunities for leadership maturation and different mentors, variates their leadership skills more than heritability.

#### 2.1.4 Ethics of Leaders

It is believed that a leader who is not virtuous cannot be the cause of inspiration and bringer of trust. Therefore he or she will ne have true followers. The importance of this has led to keywords such as ethical leadership, servant leadership, moral leadership, authentic leadership, etc. leader will not be able to direct his/her followers toward a certain path without being virtuous and considering morality.

Examples as Adolf Hitler and Mao Zedong can highlight this idea. Even bad leaders with strong charisma are able to manipulate followers. Klein and House (1995) considered charisma as "fire that ignites followers' energy and commitment, producing results above and beyond call of duty". Bass (1990), considered charisma as the essential leader quality and not virtue, although later he implied the term "idealized influence" for "charisma" as an alternative term for leader's morality.

#### 2.1.5 Leadership Style and its Importance

There are different debates on leadership styles. While some researchers believe that related to the situation, the leadership style should be adapted and it is very important, others believe that the style does not matter as long as it carries the essence of leadership. However, there are some who claim that style change is neither credible nor fetching. Those who believe in the style, consider the focus on task is better than focus on employees, which led to the progress of various models such as situational leadership form Fiedler (1954) to Vroom and Jago (1988). In

contrast, many believe that a leader won't be successful if he/she does not pay much attention to employees and tasks both at the same time. Many scientists assume that leadership is more critical to create meaning and objective to the lives of people as individuals than economic attribute.

#### 2.1.6 The Difference of Leadership and Management

The generally accepted definition of leadership by Tannenbaum et al. (1961, p. 24) as: "interpersonal influence exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals". However, some theories define leadership as enthusiastic commitment of followers. Hogan et al. (1994, p.493) says "leadership is persuasion, not domination: persons who can require others to do their bidding because of their power are not leaders". Management however, is the process of decision making regarding the future tasks and accomplish them effectively through the use of resources. Kotter (1990) adds that management is more scientific and formal than leadership.

Allocating resources to each task such as (people, finance, technology, etc. and make sure of the movement of the plan and relative activities accordingly. The purpose of management is to satisfy the stakeholders through benefit – making. This differs whether the organization is a profit making one, voluntary sector, or public.

Management as a concept was established by Henry Fayol (1949). He later defined five essences for management as: "to forecast and plan, to organize, to command, to coordinate and to control" (p.6). In general, managers monitor and control their employees in order to keep track of the performance this is while leaders tend to inspire and motivate their followers. However, it is important for organizations to

recruit managers and leaders, even though not all leaders have to act as managers but a considerable number of managers have to be leaders (Pyatenko, 2013).

The biggest vivid contrast of leadership and management is that a leader is being followed willingly by his/her followers and they believe that is a common goal which is for the benefit of them and their organizations while managers on the other hand have people who work for them regardless of their well – being, commitment, satisfaction and whether the organization objectives is a match and directed in the same path with theirs or not. Management in general is seeking for stability as its purpose while leadership's duty is to create change (Barker, 1997, p.349).

Carlson (1951) frames managing administrator as a conductor of orchestra who should control and direct simultaneously both organization and the running operations. Often managerial work is fragmented in different tasks and not related on overall level such as problem – solving (Snyder and Glueck, 1980).

Actions taken by leaders have significant consequences for future because followers (subordinates) perform and act based upon those actions as a consequence. Thus, the leadership between present occurrence and expected ones in future is based on leader's actions which makes the leader/manager as the center stage of sense – making process (Bass, 1985; Bennis and Nanus, 1985; Collins, 2001a, 2001b; House et al., 2007; Nanus, 1992; Selznick, 1957).

The nexus of leadership is the philosophies of famous ancient philosophers of Greece like Socrates, Plato, Aristotle and Heraclitus. Aristotle characterized leadership in three core qualities that a leader should possess to achieve followers and accordingly

success: <u>Practical wisdom</u> which is the ability to make the right judgement and decision, <u>Righteousness</u> which is to be honest and fair and to encourage expressions in the same manner, <u>Generosity</u> which is the capability to advice and consult in the right path (Ananchenko, 2009).

Regardless of numerous investigations and research that has been conducted upon leadership, there are still many aspects to be discovered or argued. This emphasizes on the importance and vital role of leadership and its concepts in organizations and relatively requires further research and studies.

# 2.1.7 Leadership and Effectiveness

Leaders affect followers' encouragement, engagement, vision, and work climate (Bass, 1990; Ekvall and Ryhammar, 1998). However, mentioned factors are influential on effectiveness, but they do not represent effectiveness benchmark. Strangely, often perceived attributed effectiveness is measured as effectiveness (Nystedt, 1997, p. 2).

Ployhart et al. (2001), have found that 81% and 88% of the performance is related to factors other than identity, emotions and individuality. There are three different testing approaches for identifying the relationship between leadership and organizational efficiency:

#### 2.1.7.1 The leader succession

These studies indicate that the performance of a team or groups is barely affected managerial change. This holds a cynical view towards organizational leader's significance (Thomas, 1993, pp. 126-128). Allen et al. (1979) and Brown (1982) found similar results on their studies on baseball and football clubs in which management was changing as it had a very low effect on team performance.

#### 2.1.7.2 The leader contribution

This researches show the amount of leader's impact compared with other elements. These studies indicate that measures of performance are mainly affected by environmental factors rather than leader's influence (Thomas, 1993, p. 129). Environmental components and the infrastructure of an organization are the factors with high level of influence on organizational effectiveness (Jaffre, 2001, p. 87).

#### 2.1.7.3 The instrumental theories

Actions and activities are prerequisites to obtaining results and achieve goals in relation with something else which is the effectiveness. Actions take place first and then lead to achievement. Some theories claim that specific forms of leadership can directly cause organizational effectiveness (Universal theories). Contingency theories comprise transitional factors between leadership and effectiveness. Fiedler (1967) claims that adjusted leadership behavior, regarding the situation can bring up organizational effectiveness.

However, the contingency theories have failed to recognize leadership behavior (not personal characteristics) and combination with leadership circumstance. There are researches with no support to contingency theories (e.g. Anderson, 1994). Yukl (2002, p.423) concludes that, "several thousand empirical studies have been

conducted on leadership effectiveness, but many of results are inconsistent and inconclusive".

#### 2.1.8 Leader and Leadership Development

The two notions of leader and leadership development are very similar yet the focus on each requires different approaches. Usually studies speak of leadership development and the means to improve leadership capabilities of the organization executives. However, leadership improvement holds a very broader meaning than just to develop skills of individual leaders. Leadership is not a single expression. It is a complicated phenomenon which enfolds leader into his or her social and organizational environment (e.g. House and Aditya, 1997; Shamir and Howell, 1999; Waldman and Yammarino, 1999; Boal and Hooijberg, 2001; Huny and Dodge, 2001; Osborn et al., 2002; Vera and Crossun, 2004; Waldman et al., 2004; Porter and McLuaghlin, 2006). O'Toole (2001, p. 163) implies that for characterizing leader and leadership development, the approaches should be differently. For the former case it's what qualities should be developed for the leader where the latter requires quality development in organization.

In today's competitive business environment, leadership development at all levels is crucial for organizations to succeed and survive (e.g. Ready et al., 1994; Tichy, 1997; McCall, 1998; Atwater et al., 1999; Conger and Benjamin, 1999; Day, 2001; O'Toole, 001; Tichy and Cardwell, 2002; Ulrich and Smallwood, 2003; Leskiw and Singh, 2007). Due to the availability of knowledge because of computer technology, organizations tend to change their hierarchy to flat. Decentralizing decision making for quick responses and to gain more adaptability;

Leaders have teams to report them, which challenges the traditional role of leader who is merely "the boss", but also coach, mentor, coordinator, and even consultant (Conger, 1993). Subordinates nowadays expect their superiors to be more flexible, influential and more personally interactive for success in the organization.

Tichy (1997, pp. 42-43) notes that "if a leader is to be successful, he or she must develop others to be leaders" and further adds that "a person may have all the traits of leadership, but if he/she does not personally see to the development of new leaders, the organization will not be sustainable, and the person is not a true leader-or at least a not a winning one". Leaders can set goals and strategy for their followers and also provide insight, skill, knowledge, and experience, thus giving subordinates direction (Tichy, 1997).

This will further bring personal growth and satisfaction for leader by helping others to have progress (Mumford, 1993). Relatively, a successful leadership development in the organization will yield in a continuous learning and leadership culture. In a company with improved leadership at all stages, employees act more like partners and promoters than simply doing their given tasks. They will take initiative and they are more willing to solve problems at hand. Similarly, their commitment will increase and will they will share a common goal with leaders. Leadership development is not solely traditional classes or trainings for employees, but is a series of activities with the target of developing employees and enhance their learning from work and their superiors (e.g. Tichy, 1997; Beeson, 1998; Carioppe, 1998; Yarnall, 1998; Bennis, 1999; London and Smither, 1999; Collier and Steban, 2000; Day, 2001; Brown and Posner, 2001; Tichy and Cardwell, 2002; Ulrich and Smallwood, 2003).

According to Maritz (2010, p. 1,) only seven percent of employees believe that "senior management's actions are completely on their words"; and only twenty five percent "trust management to take the right decision under certain circumstances". The lack of trust among the followers towards the management's decision making has become the source of many organizational flaws (Pfeffer, 1998, Chapter 1). Many organizational leaders endeavor to regain followers' trust (Heavy et al., 2011) by utilizing traditional styles which are not effective (Covey, 2004).

In the increasingly complex and cynical world, the leaders of organizations must demonstrate their perspective and character all along with raising the standards and achieve the trust of followers and also stakeholders. It is important for leaders to raise the standards and to follow a set of morals which leads to gaining trust of their followers and other people involved (Cinlla et al., 2005). Lack of trust will cost in transactions which can be reduced with moral leadership (Hoffman et al., 2010; Puranava and Vanneste 2009; Lennick and Kiel 2008). This will further increase followers' commitment (Senge, 2006; Caldwell and Hayes, 2007). At the maximum level, considering ethics and essentiality is what leadership about (Kouzes and Posner, 2010; Hosmez, 2007; Solomon, 1992).

Bennis and Nanus (2007, p. 3) explained for a new transformative leader (Return to transformative leadership C.Caldwell et al., 2011) "who commits people to action, who converts followers into leaders, and who may convert leaders into agents of change".

In this rapidly changing world, to be an effective leader and to search for new solutions is to change the view towards existing assumptions (Christensen and Raynor, 2003). Bennis and Nanus (2007, p. 16) noted for transformative leadership as "the capacity to translate intention into reality and sustain it [Italics in the original]. This ability creates a network for followers (Boyatzis and McKee, 2005), they are more likely to support (Chemmers, 1999), their trust (Mayer et al., 1995), Commitment (Senge, 2006) – through what Goleman (2007, p. 28) implies as "the social capital needed to pull the best out of people". The spectrum of viewing the world and how one sees it, with the capability to change (Pava, 2003) and personal transformation of self (Quinn, 1996) is what transformative leadership requires.

As a deduction, there will be a rise in ethical surveillance by adding value, enhance lives, benefit to society, and honor duties owed to stakeholders by creating a long term wealth optimization (Caldwell et al., 2008, 2011). Leaders can earn the followership that is required for effective leadership (Barnard and Andrews, 1971, p. 163).

Transformational leadership enables leaders to have synergistic duties that they have whether individually or at the organizational level (Burns, 1978). Foundation of transformational leadership is based on words and it contains four components which are: "idealized influence, inspirational motivation, intellectual stimulation and individualized consideration" (Bass and Steidlmeier, 1999). These elements encourage follower to personal development whilst increasing performance of their very organizations. Transformational leadership focuses on the means rather than the ends. Maximizing trust and commitment, aside of long-term wealth creation, balances the affection of the firm and its stakeholders (Pfeffer, 1998; Caldwell et al., 2010). Leaders can create a bond with followers through charismatic leadership, which will inspire followers to reach forward for results (Conger et al., 2000, p. 748).

Charismatic leaders are able to coherent future by "Seeing beyond current realities" (Conger, 1989, chapter 3). Having this vision will intensify personal connection. Members of organization can identify their identity and also increase personal engagement (Lussier and Achua, 2009, pp. 334-338). Successful leader should have skills such as paying attention, inspiration, touching souls, and the ability to create close relationships (Bennis and Nanus, 2007, pp. 30-31).

## 2.2 Servant Leadership

The extent of servant leadership is significantly positioned in the Western academia. On the other hand, this concept has not been revealed in Asia and Middle East. This study tends to investigate the concept of servant leadership in Dubai, one of the most advanced cities in the world and Middle East as Dubai is preparing for EXPO 2020. The model which is presented in Chapter 4 is looking to aid for enhancement of the employees' trust to leader and job satisfaction. This will further improve the well-being of employees.

There has been an uprising attraction towards a style of leadership which is caring (Peterson, Galvin, and Lange, 2012; Hunter et al., 2013; Udani and Lorenzo – Molo, 2013), a management with people – centered attitude is more needed on a fast pace (Liden, Wayne, Liao and Meuser, 2014b; van Dierendonck, 2011), and interest in success of all shareholders (Walumbwa, Hartnell, and Oke, 2010; Sun, 2013), as these elements are the supply for organizations' prosper and progress in their marketplace. A successful and effective leader considers his/her followers before him/herself. Recent business atmosphere requires leaders to give services to their followers, hence helping them grow into important roles who will be able to serve

their organizations to achieve better results beyond what merely one leader (as the major player) would achieve as an individual.

To drive discretionary attitudes, leadership with a follower – focused approach is needed. This will help for problem solving and better understanding (e.g. Berry, Parasuraman, and Zeithaml, 1994; Ehrhart, 2004; Barbuto and Weeler, 2006; Walumbwa, Hartnell, and Oke, 2010; van Dierendonck, 2011; Liden, Panacio, Meuser, Hu and Wayne, 2014a; Liden et al., 2014b). Servant leadership theory specifically addresses this need. Greenleaf (1977, p.66) defines this theory as below:

It is an instinctive feeling when one person wants to serve others first. A servant leader first serves others. This is in sharp difference with a leader who is leader first. The difference comes from the vast various human natures for this factor is based on personality traits of the leader him/herself. Greenleaf (1977) emphasized that leadership needs to prioritize meeting needs of employees or followers first for the profit of organization.

The serve – first nature of servant leader separates this style from other leadership related theories (Graham, 1991; Ehrhart, 2004; Judge and Piccolo, 2004; Ilies, Nahrgang, and Morgeson, 2007; Liden, Wayne, Zhao, and Henderson, 2008; Walumbwa, Hartnell, and Oke, 2010; Hu and Liden, 2011; Liden et al., 2014b). Servant leadership is challenging because it requires putting self – interest, needs, and/or wishes aside for the sake of meeting followers' highest priority needs.

Servant leadership defined as "providing leadership that focuses on the good of who are being led and those whom the organization serves" (Hamilton and Nord, 2005,

p.875). Robert Greenleaf (1991, p. 2) explained the valuable leader is a servant as serving others is fundamental to his/her personal identity "deep down inside". In the servant leadership, the leader seeks the wants, needs, interests, and welfare of others higher than personal interests (Ludema and Cox, 2007, p. 343). A servant leader should be honest with employees about the goals and expectations of the organization.

Servant leaderships' attribute to stakeholders, emphasizing welfare, progress and greatness of others, makes leaders trustworthy, and raises their credibility (Kouzes and Posner, 2010). Core shared concern of transformative and servant leaders, is the well-being of others (Caldwell et al., 2011).

When a leader accepts to play the role of giving services (serving) to others/followers before their personal interests and attractions, servant leadership will begin. This assigns one person to two different roles of servant and leader. Servant leadership is in difference with transformational, charismatic, leader -member exchange, and authentic leadership (e.g., Graham, 1991; Ehrhart, 2004; Barbuto & Wheeler, 2006; Liden et al., 2008; Walumbwa, Hartnell, & Oke, 2010).

### 2.2.1 Components of Servant Leadership

Barbuto and Wheeler (2006) describe core elements of servant leadership as below:

## 2.2.1.1 Altruistic Calling

Is the level of willingness to serve high ranked interests of followers.

## 2.2.1.2 Emotional Leadership

Is the level of enthusiasm and efficient performance to provide followers assistance in time of discomfort, or difficulty.

#### 2.2.1.3 Wisdom

Is the leader's level of awareness towards existing events or those which are under surface but might occur in the environment in the future.

#### 2.2.1.4 Persuasive Mapping

Level of know – how displayed by leader to assure followers to reach and follow organizational goals and objectives.

#### 2.2.1.5 Organizational Stewardship

It refers to the degree of leader's consideration of organization as an existing family to develop the society that it is located in.

# 2.3 The Impact of Servant Leadership Style on Job Satisfaction

When a leader accepts to play the role of giving services (serving) other/followers before and over his/her personal interests and attractions then begins servant leadership. This assigns one person to two different roles of servant and leader. Servant leadership is in difference with transformational leadership, charismatic leadership, lead-member exchange, and authentic leadership (e.g., Graham, 1991; Ehrhart, 2004; Barbuto & Wheeler, 2006; Liden et al., 2008; Walumbwa, Hartnell, & Oke, 2010). In the context of organization, there have been limited empirical studies to clarify and pinpoint the direct relationship of servant leadership and job satisfaction. There is a consideration of a for-profit environment.

Barbuto and Wheeler (2006) developed a scale for servant leadership and reported self-reporting and rater-reporting servant leadership subscales have a significant and

positive correlation with employee satisfaction, but not with job satisfaction directly. Similarly, Mayer, Bardes and Piccolo (2008) showed that the effect of servant leadership is not direct on job satisfaction.

It is rather an indirect relationship within a chain of direct and mediating influential factors. Accordingly, servant leadership has an effect on the satisfaction of overall needs in a direct way and indirectly via mediator variable of organizational justice. Therefore, the satisfaction of overall needs will influence job satisfaction in a direct manner. van Dierendonck (2011) and van Dierendonck and Nuijten (2011) consider servant leadership characteristics as empowering and developing people, humility, authenticity, interpersonal acceptance, providing direction, and stewardship as antecedents of job satisfaction characteristics which will yield in creation of high-quality relationships among followers and leaders.

Gonzalez and Garazo (2008) indicated in their research the effect of servant leadership on job satisfaction as not significant and suggested the investigation of the real effects of servant leadership on job satisfaction. Thereby, inadequacy of previous studies in the literature on servant leadership theory in relation to job satisfaction directly motivated this research to further examine the direct, positive, and significant influence and impact of servant leadership on job satisfaction. A servant leader acts as an assistant to followers so they obtain their goals and find full potential (Greenleaf, 1977; Lord et al., 1974). Related to this, servant leadership might influence followers' perspective, such as one of crucial representatives of work attitudes, job satisfaction (Illies and Judge, 2002, 2004; van Dierendonck, 2011). Servant leaders emphasize on high – quality relationship with followers and

often participate in beneficial well – being activities which satisfies subordinates' needs and beliefs (Page and Wong, 2000).

Job satisfaction is defined as the report of satisfaction with the job features by employee (Warr, Cook, & Wall, 1979). Some of the characteristics of job satisfaction are an employee's immediate supervisor, her/his fellow workers, the physical work conditions, and the rate of pay (e.g., Warr, Cook, & Wall, 1979; Williams & Anderson, 1991; Clark, Oswald, & Warr, 1996; Judge, Piccolo, Podsakoff, Shaw, & Rich, 2010). In addition, when a servant leader acts responsibly and skillfully to assist the followers in the time of recovery of a dilemma by providing a safe and comfortable environment for followers to share and discuss their personal and professional issues, leaders engage and initiate a fine display of working relationship. These types of relationship can enhance the establishment of better coworker relationships. Moreover, leaders' knowledge and awareness towards existing and future events to occur in the workplace will enable followers to prevent potential unconventional outcomes as well as providing opportunities to use skills and abilities. By providing opportunities for sharing concerns, servant leaders are able to build high levels of trust in leader (Whitener et al., 1998).

Therefore, it is arguable that servant leadership enhances followers' job satisfaction as the concept of a servant leader is based on service to others (Robert K. Greenleaf Center, 1991). This argument is also supported by other leadership theories such as transformational leadership (e.g., Braun, Peus, Weisweiler, & Frey, 2013). Servant leadership emphasizes on enriching the lives of others to achieve and create a better world. Outcome of servant leadership is a world of care, and closeness with openness

towards new opportunities. Servant leadership is significantly different with the rest of the leadership styles.

A study by Donghong and Lu (2012) indicated the positive and significant relationship between servant leadership and employees' job satisfaction. The satisfaction of employees is a key towards a higher performance on organizational level and whether the performance is effective or not. Similarly, Sarkar and Atiqur (2009) found a similar result for the correlation of servant leadership and job satisfaction. Another case study by Shekari and Nikooparwar (2012) has indicated a significant correlation betwee servant leadership and the satisfaction of employees towards their jobs.

Many studies show that followers tend to reciprocate the behavior of their servant leaders as a social contradiction. This will result in a desirable employee behavior which creates a social and psychological environment where the spirit of accomplishment is growing. The literature is very limited in the Dubai context and the direct relationship of servant leadership and job satisfaction.

#### 2.4 Trust in Leader

Many studies have shown the positive correlation between servant leadership and employee level of trust (e.g. Sokoll, 2014; Jacob, 2006; Russel and Stone, 2002). It has been broadly exhibited that servant leadership has an impact on the trust degree of employees. Based on the philosophy of servant leadership, it is explicit that servant leadership influences and involves employees' trust as well as satisfaction and engagement. Servant leadership behavior will create a perception of future or immediate assurance of profit increasing or stability.

Jones and George (1998) suggested that trust (organizational) is a resemblance of confidence among parties in exchange of a kind. This is a confidence that no party will hurt or damage or put in risk one another. Moreover, there is a confidence that none of parties will be exploited of their vulnerabilities. Trust in leader is a topic of interest in many researches in various human activities. Imitation and replication will be hard if there is trust among a group or organization as it is a major contributor of effectiveness (Jones and George, 1998).

Trust in leader was indicated as an enhancer for leadership style and job satisfaction (Pillai et al., 1999; Liu et al., 2010; Kellowey, Turner, Barling and Loughlin, 2012). Trust can function as glue or a lubricant (baier, 1994). Trust can bind leaders to other individuals. Trust is also crucial in maintaining relationships and cooperation fostering (Baier). For effectiveness and a better communication, leaders need their followers' trust. There is also another dimension known as occupational commitment (refer to Corser, 1998).

# 2.4.1 Servant Leadership and Job Satisfaction (mediating role of Trust in leader)

Employees with high levels of trust towards their leaders will engage into deeper relationships in workplace and will show more commitment towards the firm while growing satisfaction of their jobs. There is vast conceptual understanding of trust over variety of disciplines (Bigly and Pearce, 1998; Wicks et al., 1999), trust and leadership association was explicit. There have been many researches pinpointing the connection between leadership behavior and trust in an organization (Arnold et al., 2001; Jones and George, 1998; Joseph and Winston, 2005; Jung and Avolio, 2000; Mayer and Davis, 1999; Mayer et al., 1995; Podsakoff et al., 1990, 1996; Whitener et al., 1998).

Trust is also crucial in maintaining relationships and cooperation fostering (Baier). When the leader is trusted by the followers then their feelings will be more attached and stronger while grow in the satisfaction of the job (Aryee et al., 2002). In contrast, employees with less trust in their leaders show more turn-over and less loyalty towards the organization. Trust can function as glue or a lubricant (baier, 1994).

Trust can bind leaders to other individuals. For effectiveness and a better communication, leaders need their followers' trust. There is also another dimension known as occupational commitment (refer to Corser, 1998). As suggested by Kurt T. Dirks (2006), trust in leader is a mental state where followers have clear assumptions toward leader's behaviors. David L. Mineo (2014) referred to trust as "glue" which links followers and leaders together, thus maintaining "capacity for organizational and leadership success" (p.1).

Jones and George (1998) suggested that trust (organizational) is a resemblance of confidence among parties in exchange of a kind. This is a confidence that no party will hurt or damage or put in risk one another. Moreover, there is a confidence that none of parties will be exploited of their vulnerabilities. Trust in leader is a topic of interest in many researches in various human activities.

#### 2.4.1.1 Servant Leadership and Trust in Leader

According to Tan's (2000) study, leader's capability, generosity, and integrity are significant elements of trust in leader. These aspects are a part of servant leadership (Senjaya and Pekerti, 2010). Servant leadership also encompasses other leadership behaviors which nurtures trust in leader (See Senjaya and Pekerti, 2010).

However trust is considered as a key element of all leadership models, servant leadership has been considered especially strong in association with trust (De Pree, 1997; Joseph and Winston, 2005; Melrose, 1995; Russell, 2001), that is through servant leader personal integrity (De Pree, 1997, p.127). Greenleaf (1977) implied trust as bedrock for servant leaders who serve trust environments.

The positive relationship of servant leadership and employees' trust has been cited by different studies (e.g. Sokoll, 2014; Jacob, 2006; Hu and Liden, 2011). This relationship has not been studied in the hotel sector of Dubai extent. It has been found that there is a significant (p<.001) effect of servant leadership on trust degree of employees in their supervisors with an increase in R<sup>2</sup> of 0.22 (Sokoll, 2014).

#### 2.4.2 Trust in Leader and Job Satisfaction

A leaders' act or behavior can greatly influence workplace environment, commitment of employees to the leader, engagement of the employees and their satisfaction of their jobs. Leadership is about influencing followers (Northouse, 2010). Leadership cannot continue its existence if it is not influential. Leaders have to concern and aware of the followers' perception and also their own values and beliefs (Northouse, 2010).

Job satisfaction is a perception of employee in which the job itself and the organization meet his/her expectations. There are different aspects of job satisfaction. When a job contains "actual outcome and desired outcome", the employees' emotional reaction can be considered as job satisfaction (Yarmohammadian, 2006). Numerous researchers have indicated high correlation between trust and job satisfaction (Nyhan, 2000; Yang and Mossholder, 2010). Similarly, Yang (2010) found that a followers' comprehensive job satisfaction is significantly foreseen by

trust in leader. There is a conceptual resemblance between the two trust and job satisfaction dimensions.

Nevertheless, higher trust relatively yields in higher job satisfaction. Accordingly, Wong and Eggleton (2008) cultivated that if the degree of trust is high, followers tend to start conversations regarding problems more freely with their leaders, which can follow higher job satisfaction.

# Chapter 3

# **DUBAI HOTEL INDUSTRYAND LEADERSHIP**

#### 3.1 Dubai Hotel Industry and its Place in country's Tourism System

Since 1999, after the opening of Burj Al Arab, Dubai found its place on world's luxury stage. Approximately 17 new hotels were starting to work each year in Dubai (Isaac John, 2014). According to Khaleejtimes.com in the first half of 2014, Dubai hosted over 5.8 million tourists. This indicates the high importance of th industry for Dubai and the EAU. Issam Abdul Rahim Kazim, the CEO of Dubai Corporation for tourism and commerce marketing, noted that Dubai's tourism objective is to attract 20 million visitors annually by 2020. The EAU is among the top five new hotel opening countries in the last five years. Thanks to massive – scale expansion of international airports and fast pace growth of the country's airline industries, it is driving to a numerous international visitors to the EAU.

There is an impressive occupancy rate and growth in average daily rate (ADR) in almost all hotels of UAE. After taking a hard hit from global financial slump, now the industry is on the path of recovery and growth. In 2010 Dubai's hotel room rate decreased by 60% and picked up most of the rate by the end of 2011 referring to CBRE a consultant firm. Dubai had 16<sup>th</sup> rank of highest fees for room rate in year 2009 (Hogg Robinson group). According to Peloitte analysis of selected STR Global Hotel Performance Data for Middle East, Dubai hotels had highest RevPAR (revenue per available room) in the world in March 2010.

#### 3.2 Dubai Hotel Industry and its Importance in the UAE

Dubai has been recognized as a center of excellence in the service industry as it has been awarded EXPO 2020. The growth of the infrastructure to support the award is a challenge for the whole country. The Dubai Department of Tourism and Commerce Marketing (DTCM) is looking forward to attract over 20 million tourists during these years (DTCM Press Release, 2013).

As competitive rivalry becomes more intense with getting closer to Expo 2020, hotels need to develop innovations with customers and manage organizations in an effective way (Anthonisz, 2014).

This requires strategic planning and preparation while developing environments to emphasize and encourage innovation, progress and achievement. Hotel and Tourism industry contributed 19% of GDP in Dubai directly and up to 32% indirectly in 2008 (Nina Varghese, 2009). Regarding the growth after 2010 and the vision towards Expo 2020, Dubai will continue to grow in the sector. Thus, Dubai's place is not only holding importance for tourism sector of the EAU, but for financial growth, FDI opportunities, GDP growth, and economic stability of the whole country. An effective leadership can act as a lever for the organization to obtain targets and goals on this long – term run. The EAU was ranked 38<sup>th</sup> in the Global Innovation Index generated by Cornell University, INSEAD and the World Intellectual Property Organization (Hamid, 2013). An organization with effective, skillful and strong leadership along with highly satisfied employees would be able to give and bring better results in customer communication and service. Hence, success in the

competitive market will be achievable as these are crucial elements for hotel industry.

#### 3.3 United Arab Emirates (UAE) and Leadership

UAE made extensive changes for trade policies. There has been a rapid improvement in the last two decades, in industrial and other aspects of UAE. The gross domestic product (GDP) has increased from AED 485.5 billion in 2005 to AED 599.2 billion in 2006 which is a 23.4% increase in only one year (UAE Central Bank Report, 2006).

UAE endeavors to remain competitive in the rival global market. Considering the economic crises which all the nations have been facing in the last ten years; UAE has shown a good resistance and powerful planning in order to maintain the country in balance and furthermore to progress and achievement.

Leadership has a significant role within the organizations whether governmental or private sector. Therefore, it requires critical attention and concern. There are many researchers who investigated the relationship of organizational benefits and the behavior of leader (Avery, 2001; Pounder, 2001). However, majority of these studies have been conducted upon American organizations. Thereby, additional research on the context of UAE lacks in the literature. There are limited studies based on transformational and trans-active leadership in the case of UEA but servant leadership has not been investigated for Emirates and/or Dubai.

There are thousands of international and domestic firms and companies actively working in Dubai. The tourism industry is one of the most crowded sectors as mentioned before in this chapter. More than 16 million tourists have visited Dubai

during December 2014 and January 2015. This emphasizes the critical role of a planned and skillful leadership in this area. Enormous amount of various jobs are related with the industry. Some of the most expensive hotels in the world are established in Dubai such as Burj al Arab or Armani hotel located in Burj Khalifa as well as hotel Address opposite of Burj Khalifa which was one of the sample hotels for this study. Competitiveness and rivalry is explicit in the industry as each hotel wishes to attract more guests as possible. The dynamics of the market are quite vivid and smooth and the advertisement and opportunities are versatile in the case of Dubai. All four seasons Dubai is full of tourists and visitors from all around the world. A considerable amount of recruitments is also available for Dubai and UAE in general as they plan to utilize international skilled labor based on the needs of each firm and industry.

# 3.3UAE culture and Servant leadership

In order to investigate the topic a cultural comparison was developed based on Dr. Hofstede cultural comparison on six distinctive dimensions.

The dimensions are Power distance, Individualism, Masculinity, and Uncertainty avoidance, Indulgence, and Long term orientation. Each aspect represents a characteristics of society based the theories of Hofstede. In this case there was no score for the last two dimensions so it will not be considered. The other four dimensions will be subjects to discuss.



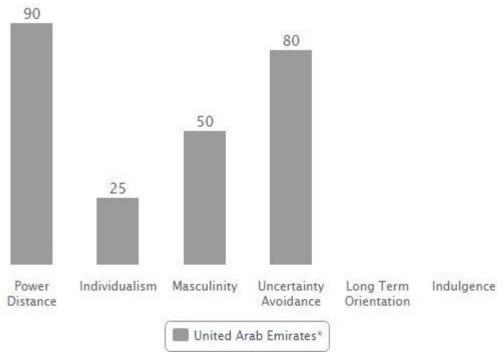


Figure 1: Hofstede Cultural analysis (comparison scale)

#### 3.4.1 Power Distance

This dimension represents the degree of inequality in the society and the attitude of the culture towards the existing inequalities. UAE with the score of **90** on power distance indicates the high amount of inequality in the society. As this study was conducted in Dubai, the researcher has seen the vivid signs of inequality among the society members closely.

A servant leader can generate an environment where employees feel less distance with the supervisor while interacting by utilizing the element of *Organizational Stewardship*. This component of a servant leader will allow the leader to consider the firm as an existing family in the society. It will further affect the perception of

employees towards the leader in a positive way which will finitely influence the society for the better.

#### 3.4.2 Individualism

Servant leadership might be a useful and effective style to imply for this culture and especially in the Hotel industry of Dubai. UAE is more of a collectivist society where people tend to care for one another as groups in the bargain with loyalty. The less individualistic a society is, the more skewed towards a collective and caring society it will direct. This can be compared with the case of USA as a more individualistic society (see appendix). UAE has the score of 25 on this scale.

A servant leader with *Altruistic Calling* will be able to aid employees to feel more attached to the group where there are people who care about their highly ranked interests. This will improve the collectivist approach while emphasizing the coexisting culture.

#### 3.4.3 Masculinity

This dimension represents the level of rivalry and competitiveness in the society and how driven it is towards being 1<sup>st</sup> or best. The high scores in this dimension show willingness towards being the best regardless of having satisfaction of what is being done. In another word, if the score is low (feminine) it means there is a tendency towards enjoying the job itself rather than compete for the first place.

UAE has a moderate score of **50** in this dimension which indicates the society is in equilibrium between the tension and desire to be the best and having satisfaction and gravitation towards what the society does (individually or as a group).

A servant leader, who utilizes and engages in the component of *Emotional Leadership* (assisting employees in time of discomfort) and *Persuasive Mapping* (display of know-how to reach goals and objectives), is able to help and maintain the balance between the derive of doing the best and in high productivity as well as liking and being satisfied with the task/job itself. This ability will give an opportunity to employees to gain a better feeling and perspective towards their tasks while creating a path for achieving organizational objectives.

#### 3.4.4 Uncertainty Avoidance

This dimension is a representative of the degree of preference for avoiding the unknown outcome or event whether existing or upcoming probability. The high score on this dimension shows unwillingness of the society towards taking high risks, unknown events, and making unplanned decisions and vice versa. UAE has a score of **80** in this dimension.

This is an advantage for a servant leader. The servant leader can engage in the quality of *Wisdom* which enables the leader to be aware and well known about the current, existing events and problems (if any) and also those which are not apparent but might occur in the future. Thereby, being aware and cautious about the environment and being able to foresee the events will cooperate with the sense of uncertainty avoidance of the society among employees or stakeholders.

#### 3.5 Dubai and Future Leadership

There is a heavy flow of leadership related activities in UAE and especially Dubai. Now there are many companies consulting, training, and also recruiting leaders based on new methods and different conditions (e.g. MEIRC). This movement has grown rapidly in the last few years. EXPO 2020 had a great effect on the pace of this

process already. In fact the tension and importance of this event is vivid in the streets and advertisements. This flow will increase as time passes towards EXPO 2020. This created many opportunities and will continue this creation until and after 2020 which is a <u>Long Term Orientation</u> based on the factors of culture which had no scores in the Hofstede's scale.

World Leader Forum Dubai is one of the groups actively working on Global challenges of 21<sup>st</sup> century. Dubai Leadership Summit is an event held by Commonwealth University and London Graduate School Consortium every six months since July 2010 and the last event held on December 2015.

A style of leadership which involves inspiration and an effective management are vital in organizations for being successful in the 21<sup>st</sup> century. The combination of both can yield in employee commitment and trust, engagement, and performance on extreme levels. Despite of the differences between leadership and management, on many aspects the line is thin and fragile.

UAE in general and Dubai particularly exhibits one of the highest levels of leadership capability, operation, and execution in the world. It is growing on a rapid pace during the rule of Sheikh Muhammed bin Rashid and even more in the last decade as there has been enormous amount of new and unique projects such as Burj Khalifa, Emirates towers, Miracle Garden, Ferrari World (only one in the world), Dubai new project, Jumeirah projects, Marina projects, Free Zone, and etc.

As Sheikh commented on UAE and Dubai leadership in facing with global economic crisis and that not only they have defied the crisis but managed to immerge from it

stronger and bigger. This is a representative of an effective, efficient, productive and successful leadership. The gigantic amount of new projects and huge amount of funding for these projects and those completed in the last decade show a certain level of <a href="Indulgence">Indulgence</a> which also has no score on the scale of cultural difference.

# Chapter 4

# THEORETICAL MODEL AND HYPOTHESIS

#### 4.1 Theoretical Model

Servant leadership has been established and developed in the 1970's and there have been extensive studies conducted upon different aspects of it since. Also the existence of the trust towards leader and job satisfaction relationship is widely studied because of its obvious importance. The literature is limited and lacks on a theoretical model covering the direct relationship of servant leadership and job satisfaction via mediating role of trust.

The theoretical model is developed to detect the potential relationship among servant leadership, job satisfaction and trust towards leader.

The model is based on Greenleaf's (1977) and Barbuto and Wheeler (2006) Servant leadership theory and R. House's (1974) Path-Goal theory. The philosophy and approach of servant leadership is to add value to the lives of followers and people and to help for developing a better organization and eventually building a world of caring.

Path-Goal theory indicates behaviors of a leader as having a strong impact on the perception of performance and effort expectancies by employees. Leader behaviors should be acceptable and also bring satisfaction to subordinates. This is to the point

that is considered immediate satisfaction or could be interpreted as an instrument of future satisfaction.

Moreover, this theory indicates providing guidance, support, coaching, motivation, and rewards for efficient performance as important elements for the benefit of employee satisfaction towards the job and the tasks being responsible for. The servant leader first serves others and helps them to grow, improve and progress (Greenleaf, 1977). House's theory is an advocate for servant leadership.

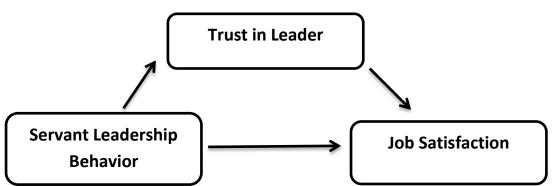


Figure 2: Theoretical Model: Servant leadership, job satisfaction and trust towards leader relationship.

Based on servant leadership and Path-Goal theories it can be interpreted that servant leadership can have an impact on the loyalty, commitment and satisfaction of employees. The mediating role of trust in leader on servant leadership to help increase job satisfaction is not examined so far. The research model thereby, is presented as above.

In addition, the conceptual model is based on Servant leadership (Greenleaf, 1977; Barbuto and Wheeler, 2006) and Path-Goal theory (House and Mitchell, 1974). The components of Altruistic calling, Wisdom, Persuasive mapping, Emotional

leadership, and Organizational stewardship are measured for servant leadership. The model is presented below:

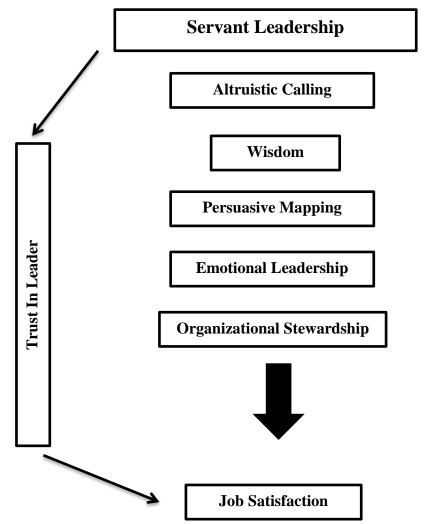


Figure 3: Conceptual model: (Barbuto and Wheeler) Servant leadership and its components, job satisfaction and trust in leader relationship.

## 4.2 Hypotheses

This section presents assumptions based on servant leadership (and its components), job satisfaction and trust towards leader.

#### 4.2.1 Servant Leadership and its components and Job Satisfaction

The definition of servant leadership is a leader with willingness towards guidance and motivating followers along with establishing quality relationships (R. K. Greenleaf and Spears, 2002). The primary function of servant leadership is to serve others. Trust has been defined as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the other party" (Mayer, Daris and Schoorman, 1995, p. 712). Moreover, trust can be referred to confidence level of one single person in another's qualification (Nyhan and Marlow, 1977). How followers perceive the character of their leader, builds the trust in leader. Characters such as ability, integrity, dependability, and benevolence in workplace affect employees' trust in leader in a large scale (Mayer et al., 1995).

It is expected that all the components of servant leadership as categorized by Barbuto and Wheeler (2006) (altruistic calling, emotional leadership, wisdom, persuasive mapping, and organizational stewardship), have positive influence on job satisfaction. A servant leader acts as an assistant to followers so they obtain their goals and find full potential (Greenleaf, 1977; Lord et al., 1974). Related to this, servant leadership might influence followers' perspective, such as one of crucial representatives of work attitudes, job satisfaction (Illies and Judge, 2002, 2004; van Dierendonck, 2011). Servant leaders emphasize on high – quality relationship with

followers and often participate in beneficial well – being activities which satisfies subordinates' needs and beliefs (Page and Wong, 2000). Job satisfaction is defined as the report of satisfaction with the job features by employee (Warr, Cook, & Wall, 1979).

#### 4.2.2 Trust to Leader and Job Satisfaction

Trust is categorized with two distinctive subcategories as Cognitive trust and Affective trust (Cufaude, 1999; Maren, Wicks, and Huber, 1999). Cognitive Trust is when one party seeks for a logical reason to trust the other party, such as ability, responsibility, reliability, dependability, and predictability (Mayer et al., 1995). On the other hand Affective Trust is a type based on relationship, emotional investment, interactions and personal bonding of two individuals (McAllister, 1995). A leaders' act or behavior can greatly influence workplace environment, commitment of employees to the leader, engagement of the employees and their satisfaction of their jobs.

Leadership is about influencing followers (Northouse, 2010). Leadership cannot continue its existence if it is not influential. Leaders have to concern and aware of the followers' perception and also their own values and beliefs (Northouse, 2010). Burt Nanus (1989, p. 101) implied that the basis for legitimacy of leaders is trust and it is trust that binds leader to follower. However, there is strong evidence that building trust in follower holds a greater importance than building trust in leader (Lee et al., 2010). Despite this finding, all previous researches have indicated a strong, explicit connection between trust in leader and job satisfaction.

**H1:** Servant leadership is positively correlated with Trust towards leader

**H2:** Servant leadership is positively correlated with Job satisfaction

H3: Trust to leader mediates between Servant leadership and job satisfaction

**H4:** Trust to leader is significantly related to job satisfaction

# Chapter 5

## **METHODS**

#### **5.1 Data Collection Process**

The survey has been conducted among all departments of four hotels in Dubai from workers to executives. Sample is unbiased representative of employees in accordance to the data statistics.

#### 5.1.1 Sample Collection Agenda

Survey questionnaire was sent to four different hotels in Dubai. Questionnaires were distributed among <u>260</u> employees in each hotel and collected after being filled by employees. Questionnaires were given to participants during December.29.2015 – January.6.2016.

#### **5.1.2 Moral Consideration**

The survey was carried anonymously and participation was voluntarily. To avoid privacy violation, questions related to name, exact experience or exact department was not included. The obtained data for research remained confidential and are stored safely for only the researcher can have access to it.

#### **5.2 Questionnaire Measures**

The questionnaire utilized demographic questions and three data collection methods as follow:

- **A.** <u>Servant Leadership Survey</u> (SLS) (Short version) with the target to determine Servant leadership. This is the most frequent used scale for assessing servant leadership.
- B. Marlowe and Nyhan's (1992) Organizational Trust Inventory (OTI) for assessing degree of trust in leader between leaders and followers.
- C. Spector's (1985) <u>Job Satisfaction Survey (JSS)</u> for measurement of Human Service Staff Satisfaction: Development of the Job Satisfaction Survey.

#### **5.2.1 Demographic Survey**

Demographic information of hotel industry in Dubai identified using specific designed demographic questionnaire, composing question about gender, position, age (1= less than 25, 2= 26 to 35, 3= 36 to 45, 4= more than 46), degree of education (1= technical degree, 2= higher education) and service period at current organization (1= less than a year, 2= 1 to 4 years, 3= 5 to 9 years, 4= 10 years or more).

#### 5.2.2 Servant Leadership Survey (SLS) – Short

Servant Leadership Survey (Short version) with the target to determine Servant leadership. This is the most frequent used scale for assessing servant leadership based on Barbuto and Wheeler's (2006) theory. Measurement consists of 5- items Likert scale where 1= "not at all", 2= "occasionally (once in a while)", 3= "Often (sometimes)", 4= "Very often (fairly often)", 5= "Frequently if not always". The latest MLQ has been used for this study for the Transformational leadership estimation.

Questions are addressed to Servant leadership using Barbuto and Wheeler's (2006) Servant leadership survey, keeping the account of different components of servant leadership (empowerment, accountability, standing back, humility, authenticity, courage, interpersonal acceptance, organizational stewardship, wisdom, altruistic calling, persuasive mapping, and emotional leadership).

#### 5.2.3 Marlowe and Nyhan's (OTI)

Organizational Trust Inventory (OTI) consisting 12 questions determines organizational and interpersonal trust (Marlowe and Nyhan, 1997). There are five questions from the original scale that was utilized to estimate trust among leaders and followers. Five – point Likert scale was used to measure responses from 1= "Strongly Disagree", 2= "Disagree", 3= "Neutral", 4= "Agree", 5= "Strongly Agree".

#### 5.2.4 Spector's Job Satisfaction Survey (JSS)

Spector P. E. measurement of Human Service Staff Satisfaction: Development of the Job satisfaction Survey (1985) is a survey used for evaluation of nine dimensions of job satisfaction related to overall satisfaction. This is a well – established and examined survey for job satisfaction measurement. Eight statements have been utilized to estimate the satisfaction degree of employees. Five – point Likert scale was used to measure respondents' answers from 1= "Strongly Disagree", 2= "Disagree", 3= "Neutral", 4= "Agree", 5= "Strongly Agree".

# **5.3 Mediation Method**

Baron and Kenny's (1986) method of testing the mediation of employees' trust in leader and engagement between servant leadership and job satisfaction was used. Based on this test, mediation is supported if 1) independent variable is related to dependent variable; 2) independent variable is related to mediating variable; 3) Mediating variable has relationship with dependent variable; 4) the independent and dependent variable relationship is decreased significantly (partial mediation) or no longer is significant (full mediation). All of these conditions must meet to show the effect of employees' trust between Servant Leadership behaviors and Job Satisfaction.

# Chapter 6

#### **ANALYSIS**

Statistical Package for Social Sciences (SPSS) was utilized to estimate and analyze the collected data. The dependent variable was taken as Job Satisfaction (JSF), while Servant Leadership (SL) as independent variables. The role of Trust in leader (TIL) was further added to investigate the mediating role. Demographic status (Age, Gender, Education level and Duration of employment) were taken as control variables. Servant leadership has strong correlation with trust in leader (TIL). The positive relationship between trust towards leader and job satisfaction was identified.

Means, Standard Deviation, and Cronbach's alpha was estimated for determination of reliability and correlation. Pearson 2 tailed correlation test was conducted. Linear regression was implied between the independent and dependent variables.

# **6.1 Descriptive Statistics**

The number of male employees is slightly more than female employees (table 1#); 135 (51.9%) men over 125 (48.1%) women, which are a proportion of four different hotels in Dubai.

Table 1: Gender of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	135	51.9	51.9	51.9
	Female	125	48.1	48.1	100.0
	Total	260	100.0	100.0	

Age criteria (table 2#), indicates the number of employees in the category of "26 to 35 years" have a privilege over the other groups with 120 (46.2%) of the respondents. The category of "36 to 45 years" include 62 (23.8%) of the respondents. The categories of "less than 25 years" and "46 or more" include respectively 45 (17.3%) and 33 (12.7%) of the respondents.

Table 2: Age of Participants

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	less than 25	45	17.3	17.3	17.3
	26 to 35	120	46.2	46.2	63.5
	36 to 45	62	23.8	23.8	87.3
	46 or more	33	12.7	12.7	100.0
	Total	260	100.0	100.0	

The low number of respondents more than 46 years old and less than 25 years old shows that there is a tendency for recruitment procedures related to the age of the personnel.

Table 3: Duration of Employment

_					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	less than 1 year	54	20.8	20.8	20.8
	1 to 4 years	123	47.3	47.3	68.1
	5 to 9 years	45	17.3	17.3	85.4
	10 years or more	38	14.6	14.6	100.0
	Total	260	100.0	100.0	

The employees' employment duration was categorized into four groups as: (1) less than one year, (2) one to four years, (3) five to nine years and (4) ten years or more as it is shown in table 3#.

The majority of the employees have an experience of one to four years, which is 123 (47.3%) that shows there are certain amount of workers who continue to work in their organizations. This is while 54 (20.8%) of respondents are in category one, which is less than one year. This indicates that hotels tend not to recruit young or non-experienced employees in larg amount. However, hotels do recruit a certain amount of new employees each year (or seasonally as temporary workers). Categories three and four have respectively 45 (17.3%) and 38 (14.6%) of respondents which indicates more experienced employees due to the factors of their wage, bonuses, benefit, tend to keep their positions.

There is a slight difference between the numbers of employees with secondary technical education and those with higher education as it is shown in the table 4#. This indicates that there is not a significant difference between employees' educational level to be recruited.

Table 4: Education Level

-			Dovocat	Volid Darsont	Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Secondary Technical	135	51.9	51.9	51.9
	Higher Education	125	48.1	48.1	100.0
	Total	260	100.0	100.0	

# **6.2 Hypothesis Analysis**

The sections below are presenting the analysis of correlations among Servant leadership, and Trust in leader and Job Satisfaction.

# **6.2.1 Correlation Analysis**

Table 5: Correlations

F			Tuon	5 J. COI	Teratro		1	
						Age of	Education	Duration of
	-	JS	SL	TIL	Gender	Participants	level	Employment
JS	Pearson Correlation	1	.945 <sup>**</sup>	.658 <sup>**</sup>	.053	177 <sup>**</sup>	016	014
	Sig. (2-tailed)		.000	.000	.396	.004	.800	.822
	N	259	258	117	259	259	259	259
SL	Pearson Correlation	.945 <sup>**</sup>	1	.691 <sup>**</sup>	.051	169 <sup>**</sup>	.004	009
	Sig. (2-tailed)	.000		.000	.415	.006	.953	.890
	N	258	259	117	259	259	259	259
TIL	Pearson Correlation	.658 <sup>**</sup>	.691 <sup>**</sup>	1	.126	.115	109	061
	Sig. (2-tailed)	.000	.000		.174	.214	.240	.515
	N	117	117	118	118	118	118	118
Gender	Pearson Correlation	.053	.051	.126	1	025	094	.120
	Sig. (2-tailed)	.396	.415	.174		.691	.131	.053
	N	259	259	118	260	260	260	260
Age of Participant	Pearson Correlation	177 <sup>**</sup>	169 <sup>**</sup>	.115	025	1	050	.133 <sup>*</sup>
s	Sig. (2-tailed)	.004	.006	.214	.691		.420	.032
	N	259	259	118	260	260	260	260
Education level	Pearson Correlation	016	.004	109	094	050	1	.006
	Sig. (2-tailed)	.800	.953	.240	.131	.420		.918
	N	259	259	118	260	260	260	260
Duration of Employme	Pearson Correlation	014	009	061	.120	.133	.006	1
nt	Sig. (2-tailed)	.822	.890	.515	.053	.032	.918	
	N	259	259	118	260	260	260	260

 $<sup>\</sup>ensuremath{^{**}}\xspace.$  Correlation is significant at the 0.01 level (2-tailed).

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Table below represent the correlation analysis among Servant leadership (SL), Job Satisfaction (JS), Trust in Leader (TIL), and Demographic status (Gender, Age, Education level and Employment duration).

Based on Pearson two-tailed correlation analysis Job Satisfaction has a relationship with Servant Leadership in a positive way. Servant leadership and its components are in a significant relationship with Job satisfaction (**0.94**). Hence, this findings support **H1**.

In addition, there is a positive correlation between Servant leadership and Trust to Leader (0.69). This significant relationship supports  $\underline{H2}$ . Moreover, according to table #5, Trust in Leader is significantly correlated with job satisfaction (0.65) which is in support of  $\underline{H4}$ .

#### 6.2.2 Cronbach's Alpha

Cronbach's alpha was developed by Lee Cronbach in 1951 was applied to measure internal consistency of the data. This test is a measure (coefficient) of scale reliability.

Reliability S	tatistics
Cronbach's	
Alpha	N of Items
.907	30

The alpha coefficient as it is shown above is 0.907, which suggests high internal consistency for items. As a coefficient of 0.70 is considered of being acceptable for social science research, this coefficient is a suitable and desirable.

# **6.3 Linear Regression Models**

For investigation of the independent and dependent variables and the relationship among them, this test was applied.

# 6.3.1 Regression Analysis for the Relationship of Servant Leadership and Job Satisfaction

This analysis is to detect the impact of Servant Leadership (Independent) on Job Satisfaction (Dependent). Tables 6, 7 and 8 reveal this impact.

Table 6: Model 1 Summary

			Adjusted R	Std. Error of the
Model	R	R Square	Square	Estimate
1	.945 <sup>a</sup>	.894	.893	.38625

a. Predictors: (Constant), SL

Table 7: ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	320.871	1	320.871	2150.752	.000 <sup>b</sup>
	Residual	38.193	256	.149		
	Total	359.064	257			

a. Dependent Variable: JS

b. Predictors: (Constant), SL

Table below represents the Beta and T-value.

Table 8: Coefficients

		Unstandardized Coefficients		Standardized Coefficients			
Model		В	Std. Error	Beta	t	Sig.	
1	(Constant)	.170	.069		2.477	.014	
	SL	.950	.020	.945	46.376	.000	

a. Dependent Variable: JS

Based on this model, the variation in Servant leadership and its components explains 94% variation of Job satisfaction. This is an indicator of significant impact and relationship.

# 6.3.2 Regression Analysis on Job Satisfaction and Demographic Variables (Age, Gender, Education Level, Employment Duration)

Tables below reveal the relationship between demographic (control) variables and job satisfaction. This test was applied to investigate whether there is a significant change in the R-Square (explanation) by Demographic Variables in Job satisfaction.

Table 9: Model 2 Summary

			Adjusted R	Std. Error of the
Model	R	R Square	Square	Estimate
2	.184 <sup>a</sup>	.034	.019	1.17205

a. Predictors: (Constant), Duration of Employment, Education level, Age

As it is shown in Table #9, R-square has dropped significantly.

Table 10: ANOVA<sup>a</sup>

Mode	el	Sum of Squares	df	Mean Square	F	Sig.
2	Regression	12.289	4	3.072	2.237	.066 <sup>b</sup>
	Residual	348.918	254	1.374		
	Total	361.208	258			

a. Dependent Variable: JS

ANOVA table represents the decrease in F-value which makes the regression variables in significant.

of Participants, Gender

b. Predictors: (Constant), Duration of Employment, Education level, Age of Participants, Gender

Table 11: Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	Т	Sig.
2	(Constant)	3.596	.405		8.889	.000
	Gender	.110	.148	.046	.742	.459
	Age of Participants	231	.081	177	-2.841	.005
	Education level	047	.147	020	321	.748
	Duration of Employment	.005	.078	.004	.063	.950

a. Dependent Variable: JS

Based on table #11, none of the demographic variables has a significant impact on job satisfaction but Age of participants. This impact is shown as below:

Table 12: Coefficients<sup>a</sup>

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
2	(Constant)	3.698	.199		18.545	.000
	Age of Participants	230	.080	177	-2.879	.004

a. Dependent Variable: JS

The value of T is negative which represents the negative relationship between these variables. This represents there is a <u>Decrease</u> in job satisfaction level as the age <u>Increases</u>.

# 6.3.3 Mediating Role of Trust in Leader on Servant leadership and Job Satisfaction Relationship

In this model, trust has been added to the regression to indicate whether it has a role of mediation on the relationship between servant leadership and job satisfaction.

# Model 3 of Regression

Table #13. Model 3 Summary

			Adjusted R	Std. Error of the	
Model	R	R Square	Square	Estimate	
3	.725 <sup>a</sup>	.526	.518	.31597	

a. Predictors: (Constant), TIL, SL

Table 14: ANOVA<sup>a</sup>

Model	l	Sum of Squares	Df	Mean Square	F	Sig.
3	Regression	12.531	2	6.266	62.758	.000 <sup>b</sup>
	Residual	11.282	113	.100		
	Total	23.813	115			

a. Dependent Variable: JSb. Predictors: (Constant), TIL, SL

Table 15: Coefficients<sup>a</sup>

Tuble 13. Coefficients							
		Unstandardized Coefficients		Standardized Coefficients			
Model		В	Std. Error	Beta	t	Sig.	
3	(Constant)	.775	.315		2.465	.015	
	SL	.407	.086	.423	4.713	.000	
	TIL	.403	.099	.366	4.081	.000	

a. Dependent Variable: JS

According to findings of this chapter, the two variables of Servant leadership and Job satisfaction are in a positive relationship as independent and dependent variables respectively. Also, Servant leadership is related to Trust in leader as mediating variable. Trust in leader is positively related to Job satisfaction (mediating variable and dependent variable). The relationship between Servant leadership and Job satisfaction has decreased significantly which shows the Partial Mediation of Trust in leader on the relationship between dependent and independent variables. There is a decrease in Beta values (from .94 for the 1<sup>st</sup> model to .42). Based on these findings, it is now apparent that <u>H3</u> is accepted..

# Chapter 7

### RESULTS AND IMPLICATIONS

## 7.1 The Results of The Study

The results of the study are presented in this chapter based on the analysis of the questionnaire and gathered data.

# 7.1.1 The Influence of Servant leadership on Trust in Leader and Job Satisfaction

Servant leadership is also positively related to trust in leader which supports the theory of Mayer et al. (1995) in which, servant leadership characteristics affect employees' trust in leader in a large scale. However trust is considered as a key element of all leadership models, servant leadership has been considered especially strong in association with trust (De Pree, 1997; Joseph and Winston, 2005; Melrose, 1995; Russell, 2001), is through servant leader personal integrity (De Pree, 1997, p.127). Greenleaf (1977) implied trust as bedrock for servant leaders who serve trust environments.

While all the Servant leadership style has found that is positively related to trust in leader, it is also positively related to employees' job satisfaction. There is a direct relationship between the leadership style and job satisfaction. The role of trust in leader as a mediator will enhance the link between the leadership and employee job satisfaction.

According to the findings of the study and contribution of servant leadership; the importance of followers' trust to leader is vivid as well as its contribution to employees' satisfaction of job.

### 7.2 Implication for Managers/Leaders

As mentioned before, a followers' trust to leader is a crucial element for the degree of job satisfaction and is one of the main contributors to it. Therefore, managerial levels of organization should have an angle and perspective towards earning trust of their employees.

Employees need to feel valued while feeling safe in the workplace environment which is a job of leader/manager to create a physical and explicit environment of mutual respect and trust where employees sense the notion of cooperation, value, achievement and importance. It is the performance of the leader or manager which will create a perception in the employees' mind. This performance is based on leader and his/her abilities as a leader. Employees will show more loyalty and commitment towards the organization and leader as individual when they have direct relationship with supervisors, there is an explicit unambiguous endeavor from management to create better feelings for employees, there is value and sense of being part of a family which is to develop its society.

Managers are also able to highlight higher expectations, encouragement and motivation for further improvements and share confidence in achieving objectives to raise the degree of trust for employees towards their leaders. Providing rewards and creation of stimuli at times of accomplishments while keeping record of occurred

mistakes will further influence the level of trust and relatively the degree of job satisfaction for employees.

#### 7.3 Limitations

For any opportunity there is a risk as for any implication there are limitations. Accordingly, a short version of SLS was utilized on this study. A short version of Marlowe and Nyhan's organizational trust inventory (OTI) was also applied in the questionnaire as well as a short version of Spector's Job Satisfaction survey (JSS).

Respondents were chosen from four different hotel brands in Dubai (Jood Plaza, Address hotel, Ibis Al Rigga, and Sadaf Delmon) which is a small proportion of the hotel industry in Dubai and UAE (the number of employees).

#### 7.4 Recommendation for Future Research

This study is based on individual level. Various levels such as group level can be studied where each leader and his/her followers can represent an individual group.

Various variables as mediator as well as moderator can be used for determination of different aspects of leadership and job satisfaction relationship. The effects of leadership styles and various variables which can contribute to degree of job satisfaction for employees can also be noted as a further research. Utilization of a full version of SLS, OTI, JSS to further investigate the details of information is another future approach to mention. Moreover, it can be logical to conduct similar survey on different sectors and industries to see whether there are significant differences or similarities in results among various industries.

At the end it could be a matter of consideration to initiate a cross-cultural survey in which culture is taken as a factor; as culture is of importance from psychological view. Cultural differences and background can have significant differences on employees or leaders as well.

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## **APPENDICES**

### **Appendix A: Questionnaire**

Please circle your answers (Research Data):

Gender male female Age >25 26-35 36-45 46 or more Secondary technical Higher education Education **Employment duration** >1 year

1-4

5-9

10

or more

Job position .....

A. How do you describe your supervisor's behavior (in accordance with the scale from  $\underline{1}$  to  $\underline{5}$ )

#	Scale items	Never	Occasionall	Often	Very Often	Frequently / Always
1	Supervisor passes his/her self-interest for the sake of group	1	2 y	3	4	5
2	Supervisor behaves by ethics and morality	1	2	3	4	5
3	Supervisor is positive towards future (inspiring)	1	2	3	4	5
4	Supervisor revises important assumptions for their opportunities	1	2	3	4	5
5	Supervisor values your job	1	2	3	4	5
6	Supervisor learns from different views of others	1	2	3	4	5
7	Manager encourages employees to use their talents	1	2	3	4	5
8	Supervisor is open to his/her limitations and weaknesses	1	2	3	4	5

9	Manager has a long term vision	1	2	3	4	5
10	Supervisor takes high personal risk for the sake of organization	1	2	3	4	5
11	Manager generates new ideas for the future	1	2	3	4	5
12	Supervisor influences others by developing mutual liking and respect	1	2	3	4	5
13	Supervisor shows sensitivity for the need and feeling of other members	1	2	3	4	5

# **B**. Please describe how much you trust your supervisor (with the scale of 1 to 5).

#	Scale items	Strongly disagree	Disagree	Neutral	Agree	Strongly disagree
14	I trust in my supervisor/leader	1	2	3	4	5
15	Supervisor performs well in order to obtain trust	1	2	3	4	5
16	Trust in leader is of importance	1	2	3	4	5
17	Supervisor utilizes your full potential and services in a good way	1	2	3	4	5
18	Supervisor tries to gain the trust of all members	1	2	3	4	5

## C. Describe your feelings related to your job (with the scale of 1 to 5)

#	Scale items	Strongly	Disagree	Neutral	Agree	Strongly
		disagree				agree
19	I care about	1	2	3	4	5
	doing a good job					
20	I enjoy working	1	2	3	4	5
	in this company					

21	I feel good about my job	1	2	3	4	5
22	I willingly take more tasks to do	1	2	3	4	5
23	Employees work as a team	1	2	3	4	5
24	I feel at ease in my workplace	1	2	3	4	5
25	Celebration events are common to occur	1	2	3	4	5
26	I get along with my supervisor	1	2	3	4	5

## Appendix B: USA CULTURAL COMPARISON

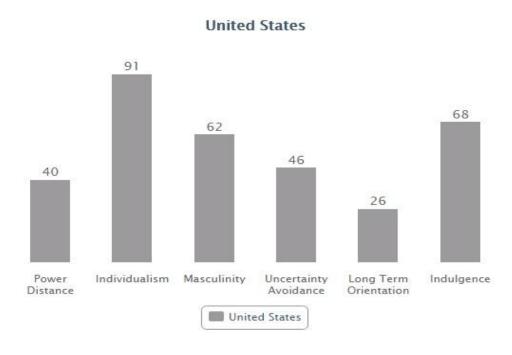


Figure 4: USA Cultural Comparison