

# Leadership Style Drives Perceptions of CSR

The leadership styles of hotel managers influence their perceptions of corporate social responsibility (CSR), argue the SHTM's Basak Denizci Guillet, Ruhi Yaman and Deniz Kucukusta in a recently published research article. Although CSR is generally recognised as an important issue across organisations, the researchers note that little consideration has been given to the personal factors that may influence it. Drawing on the results of a survey conducted in Hong Kong, they show that hotel managers with a professional leadership style incorporating some elements of transformational leadership attach more importance to CSR than counterparts with other styles. This should have an obvious implication for the management recruitment policies of hotels seeking to heighten or maintain their CSR.

## Importance of Leadership Style to CSR

The leadership styles adopted by managers have long been recognised as playing important roles in creating effective work environments, and have been extensively studied in the hotel industry. Although there is no single most-effective management style, the researchers note that hoteliers in Hong Kong have tended to adopt a traditional style based on following rules and procedures. This focus may achieve organisational efficiency and effectiveness, but does not provide motivation or inspiration for employees. In contrast, those with a transformational leadership style "tend to act more as coaches", motivating and inspiring their followers by focusing on potential and encouraging self-development.

CSR has also been subject to increasing attention in the past few years, although not as extensively in relation to the hotel industry. According to the researchers, firms that emphasise CSR activities are concerned with maintaining profitability, operating their businesses within the framework of the law, following codes of conduct that are considered ethically correct, and improving society through philanthropic activities such as work-family programmes and donations. As there is usually a positive relationship between CSR activities and firm performance, many firms, including those in the hotel industry, increasingly recognise the importance of being socially responsible.

Given the recognised importance of leadership styles and

CSR, the researchers set out to determine how they might be aligned in the hotel industry. Of particular interest was whether and how the leadership style of hotel managers in Hong Kong might be related to CSR, considering the city's combination of local, national and international hotels. Indeed, they comment, "the blend of expatriates and locals in management positions makes the Hong Kong hotel industry an intriguing setting in which to investigate this relationship".

## Hong Kong Hoteliers Surveyed

The researchers surveyed 181 managers from Hong Kong hotels rated as three stars or above. The majority were supervisors or senior managers, and 45% of them had been in their current organisations between 1 and 5 years. Almost 70% of the managers were specialists in hospitality and tourism. Just over half were female, and over 80% were between the ages of 31 and 56.

The managers responded to a series of statements that were aimed at identifying their perceived leadership styles from amongst four commonly identified types: manipulative, bureaucratic, professional and transformational. They were also asked about their perceptions of how important ethics and social responsibility are to organisational effectiveness.

## Leadership Styles

The managers did indeed recognise four distinct leadership styles, but not precisely in line with expectations. The researchers list a "professional style with a touch of transformational leadership", a "bureaucratic style with a touch of Machiavellian leadership", a "transformational style with a touch of bureaucratic leadership", and a "Machiavellian style".

Not all of these styles were actually adopted by the managers. None indicated that they used the Machiavellian style, with its focus on power and control, or the transformational style with a touch of bureaucratic leadership, with its emphasis on a transformational approach even though promotion should still be based on seniority and achievement.

Most of the managers (62.6%) indicated that they adopted the professional style with a touch of transformational

leadership. The researchers note that managers with this style tend to “focus on effectiveness and efficiency and the implementation of policies and procedures”. They “emphasise planning, developing, communicating, and motivating”, and develop subordinates by giving them ever more responsibility and authority.

A minority of the managers (15%) indicated that they adopted the bureaucratic style with a touch of Machiavellian leadership. Managers with this style, explain the researchers, tend to focus on organisational rules and bureaucracy, and are concerned with avoiding uncertainty. “Given the influence of traditional management styles in the recent history of Hong Kong”, they suggest, “it is logical to find managers adopting the bureaucratic style”.

The remainder of the managers (22.6%) recognised the four styles but adopted a combination of the first and second styles, or what the researchers describe as “an amalgam of the professional and bureaucratic leadership styles”.

### Three Perceptions of CSR

The managers also had three broad perceptions of CSR: a disregard for its importance, a perception of CSR as being a prominent issue for organisations, and a view that CSR was compatible with other elements of running a business. Those managers who disregarded the importance of CSR tended to emphasise other issues such as output quality, communication, profitability and competitiveness. “All of these organisational issues may be the main concern of the managers in making critical decisions”, explain the researchers, “which leads them to easily sacrifice CSR”.

The managers who considered CSR a prominent issue thought that “all managerial discussions should include CSR” and that “good ethics is good business”. Those who saw CSR as compatible with other elements of running a business were likely to perceive “some compatibility between CSR roles and business, profitability, and effectiveness”, according to the researchers.

### How Leadership Style Affects Perceptions of CSR

How, then, did particular leadership styles affect perceptions of CSR? This is an important question because the answer could influence how Hong Kong’s hotels shape their management recruitment policies. Managers in all three leadership style groups considered

CSR to be prominent before they were ready to see it as only compatible with running a business or to dismiss its importance altogether. This, note the researchers, broadly suggests that “hotel managers in Hong Kong with various leadership styles agree that CSR should be prominent and important for a firm”.

However, the extent to which the prominence of CSR outweighed the other two perceptions differed between the three groups. Managers who adopted the professional style with a touch of transformational leadership were far less likely to hold CSR in disregard than those who adopted the bureaucratic style with a touch of Machiavellian leadership or those who adopted a mix of the two styles.

### Professional Leadership Style May Improve CSR

Given that they are the first to establish links between leadership styles and perceptions of CSR in Hong Kong’s hotel industry, the researchers consider their efforts preliminary. They indicate that further investigations are needed to determine which other personal factors, “such as individual experience, background and values” influence the leadership style-CSR relationship.

Nevertheless, their work does indicate that hotels interested in or currently developing their CSR should consider hiring managers with a more professional leadership style, infused with a transformational approach. Those managers more concerned with developing people are more likely to be concerned about society as a whole.

#### Points to Note

- Most Hong Kong hotel managers adopt a professional/transformational leadership style
- Some adopt a bureaucratic/Machiavellian style
- Managers with a more bureaucratic style recognise the importance of CSR but do not prioritise it
- Those with a more professional leadership style attach greater value to CSR

Denizci Guillet, Basak, Yaman, Ruhi, and Kucukusta, Deniz. (2011) “How is Corporate Social Responsibility Perceived by Managers with Different Leadership Styles? The Case of Hotel Managers in Hong Kong”. *Asia Pacific Journal of Tourism Research*. Vol 17, No. 2. pp. 193-209