

A Conceptual Framework of Relationship between Leadership Styles and Employee Performance through the Moderated Mediation of Organizational Innovation and Culture

กรอบแนวคิดของความสัมพันธ์ระหว่างรูปแบบภาวะผู้นำและผลการปฏิบัติของพนักงานผ่านตัวแปรกำกับและตัวแปรคั่นกลางร่วมกันของนวัตกรรมและวัฒนธรรมองค์กร

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ผู้ช่วยศาสตราจารย์ ดร. ประจำสำนักบริหารธุรกิจและการศึกษาทั่วไป วิทยาลัยดุสิตธานี

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Abstract

This article aims to purpose the enriching employee performance through the moderated mediation of organizational innovation and culture based on the concept of leadership styles in service sector. Leadership styles performed the role to enhance the degree of organizational culture and organizational culture determined the role to support the employee's performance. Furthermore, the organizational culture considered to mediate the relationship between leadership styles and employee's performance, organizational innovation also performed the role of moderator variable to interact with leadership styles and organizational culture to encourage the degree of employee performance of service sector in Thailand. The conceptual of this framework will contribute to the concept of leadership theory and extend the boundary to explain how organizational culture and innovation interact with leadership styles and enhance the employee performance, to

guide the establishment and manager to acknowledge the cause and effect among these variables in service sector based on context of Thailand. The result of intensive review on relevant literature found that the direct effect of leadership styles on organizational culture, and organizational culture on employee's performance, the employee performance in service industry based on the context of Thailand may depends on setting the appropriately organizational culture and the degree of organizational culture to enhance the employee's performance may depends on leadership styles. The leadership styles as the main sources to determine the organizational culture in service firm, and when consider the relationship between leadership style and employees performance mediate by organizational culture, the performance among the employees in service industry may increase as well.

Keywords : Employee Performance, Leadership Styles, Organizational Culture, Organizational Innovation

บทคัดย่อ

บทความฉบับนี้มุ่งนำเสนอการเพิ่มพูนผลการปฏิบัติงานของพนักงาน โดยผ่านตัวแปรกำกับและตัวแปรคั่นกลางซึ่งสามารถทำงานร่วมกันของนวัตกรรมและวัฒนธรรมองค์กร โดยใช้กรอบแนวคิดของรูปแบบภาวะผู้นำเป็นตัวหลักในการศึกษาอุตสาหกรรมบริการในครั้งนี้ รูปแบบภาวะผู้นำถูกกำหนดให้เป็นตัวแปรที่ทำหน้าที่เพิ่มความสามารถของวัฒนธรรมองค์กรและวัฒนธรรมองค์กรจะถูกพิจารณาให้เป็นตัวเพิ่มความสามารถของผลการปฏิบัติงานของพนักงานเช่นกัน นอกจากนั้นวัฒนธรรมองค์กรยังถูกพิจารณาให้เป็นตัวแปรคั่นกลางระหว่างรูปแบบภาวะผู้นำและผลการปฏิบัติงานของพนักงานในขณะที่นวัตกรรมองค์กรได้ถูกพิจารณาให้เป็นตัวแปรกำกับระหว่างความสัมพันธ์ของรูปแบบภาวะผู้นำและวัฒนธรรมองค์กร ตลอดจนความสัมพันธ์ของวัฒนธรรมองค์กรและผลการปฏิบัติงานของพนักงานในอุตสาหกรรมบริการในประเทศไทย สำหรับกรอบแนวคิดที่ได้นำเสนอ ในบทความนี้จะช่วยขยายแนวทางในการอธิบายทฤษฎีของรูปแบบภาวะผู้นำที่มีวัฒนธรรมและนวัตกรรมองค์กรเข้ามากระทบความสัมพันธ์ ในการเพิ่มพูนผลการปฏิบัติงานของพนักงาน อีกทั้งยังช่วยแนะนำแนวทางแก่องค์กรและผู้บริหารในการรับรู้ถึงเหตุและผลกระทบที่เกิดขึ้นกับตัวแปรดังกล่าวในอุตสาหกรรมบริการในบริบทของประเทศไทย โดยผลจากการทบทวนวรรณกรรมที่เกี่ยวข้องอย่างเข้มข้นพบว่า ผลกระทบโดยตรงของรูปแบบผู้นำที่มีต่อวัฒนธรรมองค์กรและวัฒนธรรมองค์กรที่มีต่อการปฏิบัติงานของพนักงานการปฏิบัติงานของพนักงานในอุตสาหกรรมบริการตามบริบทของประเทศไทยอาจขึ้นอยู่กับกำหนัดวัฒนธรรมองค์กรที่เหมาะสมและระดับของวัฒนธรรมองค์กรเพื่อเพิ่มประสิทธิภาพการทำงานของพนักงานอาจขึ้นอยู่กับลักษณะความเป็นผู้นำรูปแบบความเป็นผู้นำเป็นแหล่งที่มาหลักในการกำหนดวัฒนธรรมองค์กรในธุรกิจบริการและเมื่อพิจารณาถึง

ความสัมพันธ์ระหว่างรูปแบบความเป็นผู้นำและผลการปฏิบัติงานของพนักงานเป็นสื่อกลางตามวัฒนธรรมองค์กรประสิทธิภาพการทำงานของพนักงานในอุตสาหกรรมบริการอาจเพิ่มขึ้นเช่นกัน

คำสำคัญ : ผลการปฏิบัติงานของพนักงาน รูปแบบภาวะผู้นำ วัฒนธรรมองค์กร นวัตกรรมวัฒนธรรม

Introduction

Service industry has evidently become a vital factor driving Thailand economic growth. It can be seen from the contribution of this sector has continuously increased from 55.8 % in 2008 to around 63% in ten years later due to the result of employing modern technology and improving more innovative culture in service sector such as tourism and healthcare businesses (Krungsri Research, 2020). Most of service organizations have remained innovative by means of the adoption of several technologies including online platforms for tourism business to increase its attractiveness and tele-robotics for healthcare sector to enrich its operations. However, this improvement could not lead to this amount of its success without the effective leadership styles which will increase employee performance by improving decision-making and speeding up process times as well as encouraging an appropriate organizational innovation and culture (Anser, Zhang & Kanwal, 2018).

What is more, few prior researchers have considered the role of organizational innovation and culture as a mediator and moderator simultaneously. The examination of the relationship between leadership styles and employee performance by jointly considered these mediate and moderate variables were even less. Over the last several years there has been considerable theoretical and empirical work conducted on employees, and during the past four decades, the impact of leadership styles on employees has been a topic of interest among academics and practitioners working in the area of leadership (Rehman, Bhatti, & Chaudhry, 2019).

Consequently, over the past 40 years that leadership styles and employee performance has been considered by several scholars and practitioners. Nevertheless, leadership styles and employee performance must be more interpreted and fulfill for its implication in the present context with different phenomenon from prior research (Anser, Zhang & Kanwal, 2018; Asrar-ul-Haq & Kuchinke, 2016). The aim of this paper is to introduce the moderated mediation of organizational innovation and culture to enrich the employee performance based on leadership styles in service context. This research contributes the conceptual framework which interpreted the relationship between leadership styles and employee

performance by jointly considered two mediator and moderator variables included organizational culture and organizational innovation, respectively.

Leadership

Leadership has been defined in several ways because it depends on the purposes and phenomenon to be investigated (Avery 2004, Gill 2006, Bass, 1997). Bass (1997) demonstrated the definitions of leadership that change through time for instance, in the 1920s leadership was concentrated about leading and inducing the subordinates to respect, loyalty and cooperation, in the 1940s leadership was focused the ability to convince further the effects of power and position, in the 1960s leadership was considered about influence to move others in a balanced direction, in the 1980s leadership was discussed by inspiring the others to take some willingness action Bass (1997).

Furthermore, McFarland, Senn, & Childress (1993) had been presented the definitions of leadership by six themes of leadership most appropriate for the twenty-first century included (1) leadership was no longer the exclusive domain of the top boss, (2) leadership encourages excellence in other, (3) leadership and management were different, (4) leadership has the dimension of sensitively humanistic, (5) leadership has a holistic approach, applying a variety of qualities, capabilities and skills, and (6) leadership was the learning for estimating, initiating, and implementing change (McFarland, Senn, & Childress, 1993).

In conclusion, leadership not only represent the process that motivated the followers to achieve the objective of organization but also leadership can be represented the behavior of the leader. For instance, Burns (1978) claimed that leadership as a leader persuade the followers to act for achieve the goals by demonstrate the values, motivations, and expectations (Burns, 1978) as well as Bass (1997) concentrated on the leader as a person on the behavior of the leader that interaction between leader and led Bass (1997). Consequently, leadership is process that the person which influenced to motivate, inspire, encourage on followers to pull their potential for achieve the goals of organization.

Leadership Styles

Leadership style has been employed widely explained and defined in several context for instance, Hersey & Blanchard (1981) defined that leadership style was a technique that leaders use to achieve the goals of an organization (Hersey & Blanchard 1981). Casimir (2001) defined that leadership style was a pattern of emphases, schedule by frequency or

intensity of specific leadership behavior or attitudes which a leader places on the different leadership perspective (Casimir, 2001).

Accordingly, leadership styles is the format of leader included behavior and attitude to convince the followers to achieve the goals of organization. This study focuses on three major leadership styles included transformational, transactional, and laissez-faire leadership because these styles have been considered by several scholars when they investigated among leadership styles and performance for instance, Zumitzavan & Udchachone (2014) studied the influence of leadership styles on performance mediated by organizational innovation that considered on three major leadership styles included transformational, transactional, and laissez-faire leadership as well as Shin (2013) studied the relationship between leadership styles, organizational commitment, and organizational outcome in Oklahoma's volunteer fire departments. Therefore, in this study considered on three major leadership styles included transformational, transactional, and laissez-faire leadership.

Organizational Innovation

Organizational innovation was the concept that new idea or behavior was adopted to the organization which can be in different forms such as a new product, a new service, a new technology and a new administrative practice (Hage, 1999). This concept is consistent with Dobni in 2006 who mentioned that organizational innovation is the process resulting from the application of knowledge, skills and creativity that combined with the management capabilities of the executives to create a competitive advantage.

The Organization for Economic Co-operation and Development or OECD in 2005 referred the process of organizational innovation to the application of development models that improve production processes and operations as well as methods of product delivery to the hands of consumers.

Moreover, Stamm in 2007 had developed the internal factors that facilitate the creation of organizational innovation including organizational structure, organizational vision and strategies, motivation, learning organization, resource, organizational culture, creativity, and leadership. Armbruster, Bikfalvi, Kinkel & Lay (2008) offered that idea of four different types of innovations: (1) technical product innovations, (2) non-technical service innovations, (3) technical process innovations, and (4) non-technical process innovations, understood to be organizational innovations. Crossan & Apaydin in 2010 suggested that the innovation process

must begin with a strategic intent to feel the direction for the employees. When looking closely at the dimensions of innovation, they fall under three broad areas: an environment that promotes innovation, the needs of company leaders for innovation, and the personal orientation of employees for innovation. They had finally identified that these three dimensions are environmental innovation trends, innovation leadership trends and personal innovation trends to be invented (Crossan & Apaydin, 2010). This could be appropriate to consider because it presents both a process and a result of organizational innovation.

Organizational Culture

Gordon (1999) defined organizational culture as an explanation of the internal environment of the organization which combines the assumptions, beliefs, and values that the members of the organization hold together and use as a guideline for working in relation to the organizational structure. This is consistent with Robbin and Coulter (2008) who mentioned that organizational culture was systems of everything that creates practical understanding and guidelines for working in a certain organization. Schein (2010) also described that schemes of common assumptions that members have learned from solving problems resulting from adapting to the external environment and the integration within the organization to be harmonized.

Therefore, organizational culture considered to be the determinant of the organization's connection and the work process. It is a way of demonstrating and the way of doing business in terms of material values, rules and regulations including methods of interpersonal interaction and operating methods. In terms of its constructs, Gray (2007) suggested the constructs of the organizational culture as free expression of ideas, free expression of concerns, freedom to question, participation, intrinsic satisfactions, innovation, purposive threat, and environmental threat. Moreover, the Dimensions of Organizational Culture/Climate Survey (DOCS), measure of organizational culture/climate developed by Denison (1996) which conceptualized organizational climate into four dimensions including involvement, consistency, adaptability, and mission. Due to a wide range of indicators and dimensions regarding different research settings. However, the service industry has a unique and specific culture when compared to other industries. Yet, this industry needs to attract and keep motivated and dedicated employees. Dawson, Abbott & Shoemaker (2011) used the Principal Component Analysis (PCA) to

determine the final framework for the organizational culture and personal attributes in the service industry. These constructs included: management principles, customer relationships, job variety, job satisfaction, principles, propitiousness, leadership, risk taker, accuracy, and composure which were statistically proved to be more appropriate in the service industry and this study.

Employee Performance

Campbell and Wiernik in 2015 presented that the achievement of the organizational goals must depend on the behavior of employees in the organization that is related to the organization's goals and this behavior must be used as a basis for measuring the involvement of other employees in the organization.

In addition to the results, Pradhan and Jena (2017) who studied “Employee Performance at Workplace: Conceptual Model and Empirical Validation” revealed the result from an intensive review on the relevant literature and feedback from both practitioners and academic experts that there were three distinct factors of employee performance that make up the new scale including task performance, adaptive performance, and contextual performance. Due to its extended scope of employee performance from Pradhan and Jena’s study, the output revealed the employee performance scale that had been statistically tested for reliability and validity from the several research settings including both manufacturing and service industries and the derived scale could be appropriate for this study.

Connections of Leadership Styles and Employee Performance, Organizational Culture and Innovation

Leadership styles and employee performance.

Previous researchers studied the relationship between leadership styles and employee performance in service industry and indicates a strong relationship of this pair. For instance, Asrar-ul-Haq and Kuchinke (2016) considered the leadership styles as the factors to explain the degree of employee performance in terms of effectiveness, extra effort, and satisfaction among the banking employees. The result found that the leadership styles had a significant relationship and effect on performance among the banking employees. Similarly, Chandra (2016) examined the leadership styles and performance of employee in the

education context and This shows that leadership styles as a potential factor to explain the degree of employee performance.

Leadership styles and organizational culture and innovation.

Rehman, Bhatti and Chaudhry (2019) investigated the role of innovative culture and organizational learning between leadership styles and performance among the Malaysian SMEs in various sectors. The result of study shows that leadership styles contains a positive impact on performance as well as innovative culture and organizational learning indicates the role of mediating between leadership styles and organizational performance (Rehman et al., 2019). The study of Rehman et al. (2019) was aligning with Waheed, Miao, Waheed, Ahmad and Majeed (2019) indicates the organizational innovation as the role of mediator variable and innovative culture moderate between new human resources management practices and organization innovation in IT sector. Anser, Zhang and Kanwal (2018) also considered the innovation as the moderator on the relationship between corporate social responsibility and firm performance. Although, the previous researchers indicate the role of organizational culture as the mediator and organizational innovation as the moderator, a few scholars studied the organizational culture mediate the relationship between leadership styles and employee's performance while organizational innovation moderate leadership styles and organizational culture and organizational culture and employee's performance in the service context of Thailand.

Conceptual Framework

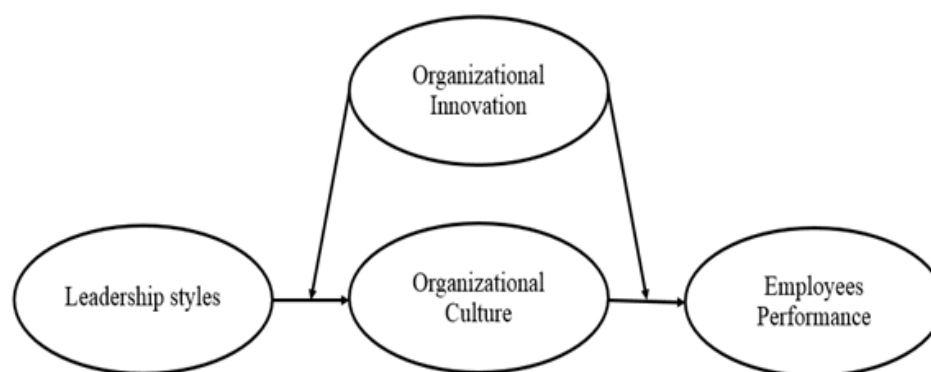


Figure 1 A Conceptual Framework of Relationship between Leadership Styles and Employee Performance through the Moderated Mediation of Organizational Innovation and Culture

Figure 1. The conceptual model of enriching employee performance through the moderated mediation of organizational innovation and culture: a conceptual framework of leadership styles.

This conceptual framework occurred by combined two framework that considered organizational culture to mediator variable and organizational innovation interact as moderator variable (see Figure1). Leadership style as independent variable included transformational leadership, transactional leadership, and laissez-faire leadership. Employee performance as dependent variables. According to the reviewing of literature lead to purpose the proposition includes:

Proposition 1: Leadership styles has a positive influence on organizational culture.

Proposition 2: Organizational culture has a positive influence on employees' performance.

Proposition 3: The relationship between leadership styles and employee's performance mediated by organizational culture.

Proposition 4: Organizational innovation moderated the leadership styles and organizational culture, and organizational culture and employee's performance.

Discussion and Conclusions

This article aims to purpose the enriching employee performance through the moderated mediation of organizational innovation and culture to introduce the proposition the based on the service industry. Firstly, the direct effect of leadership styles on organizational culture, and organizational culture on employee's performance, the employee performance in service industry based on the context of Thailand may depends on setting the appropriately organizational culture and the degree of organizational culture to enhance the employee's performance may depends on leadership styles. The leadership styles as the main sources to determine the organizational culture in service firm, and when consider the leadership style and employees mediate by organizational culture, the performance among the employees in service industry may increase as well. For instance, leadership styles, organizational culture, and innovation. For instance, if the style of management is appropriate to lead and support the employees when they work, the performance among the employees also increase. Furthermore, if the organization select

the innovation and set the culture are aligning with the internal and external environment, especially in the COVID-19 situation, the employee performance may not affect or interrupt by managerial environment. Secondly, the moderating role of organizational innovation on the relationship between leadership styles and organizational culture and employee's performance. Although, leadership styles may indicate a positive influence on organizational culture but when interact with organizational innovation may encourage the degree of leadership styles and organizational culture. Furthermore, the organizational culture may show a positive impact on employees' performance, when organizational culture interact with organizational innovation may implies a higher degree to encourage the employee's performance than organizational culture alone. For instance, the organization or manager may determine the organizational culture appropriate to promote the degree of employee's performance, and when establishment involve the organizational innovation to interact with the organizational culture, the performance of employees in service industry may significant enhance more than consider only organizational culture.

Recommendation

The limitations of this study can be as follows: Firstly, the focus of this study attempts to build the conceptual framework regarding selected variables namely leadership styles, organizational innovation and culture which eventually lead to employee performance. Secondly, the methodological aspects were not be mainly discussed in this study. The further research should consider empirical testing of the framework of the selected variables, and then more relevant variables should be considered, such as organizational performance, employee engagement, and other internal organizational factors. So that these variables could provide an extended model and the interaction effects could also increase the understanding of employee performance and for the researcher, the study would be a practical guide for improving leadership styles, organizational innovation, organizational culture, and employee performance especially in the hospitality industry.

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