MILLENNIAL LEADERSHIP AND THE QUALITY OF WORK ENVIRONMENT IN TRAVEL AND TOURISM INDUSTRY

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ABSTRACT
This study analyses millennial leaders and the quality of work environment in travel and tourism industry. Most specifically, it investigates how the leadership styles adopted by millennial leaders shape the physical, psychological and social of the work environment. Following in-depth interviews with seven millennial leaders in the industry in Indonesia and secondary data analysis, it is found that millennial leaders tend to adopt elements of traits, behavioral and contingency leadership style while their characteristics, namely high emotional intelligence, open-mindedness, communication skills, and willingness to listen and learn have contributed to the quality of work environment.

Keywords: Millennial Leadership, Quality of Work Environment, Traits Leadership, Behavioral Leadership, Contingency Leadership
1. Introduction

Millennials refers to those who were born between 1981 and 1996 (Dimock, 2019). Since 2020, they have been dominating the workforce (Crisan, 2016). Being “digital natives”, one main characteristic of millennials in the workforce is their adaptive skills to use technology, preferability to multitask, fondness of working in groups and better understanding of amalgamation in organizational structure (Hershatter & Epstein, 2010; Nevin & Schieman, 2020)(Murray, 2011; Bennett, 2020).

As more millennials assume executive or managerial positions, they have been developing leadership skills that show a different set of values in comparison to that of the older generations (Murray, 2011; Au-Yong-Oliveira, Goncalves, Martins, & Branco, 2018). In fact, 63% of millennials, who have not yet reached the executive or managerial positions, aspire to be transformational leaders (Brousell, 2015). Strategic thinking, being inspirational, strong interpersonal skills, having vision, passion and enthusiasm, and decisiveness are some traits that millennials expect their leaders to have (Deloitte, 2015).

In addition, millennials suggest that leaders from older generations put too much focus on profit and personal rewards, while it should be on employees and their growth in the company. Consequently, leaders – millennials or not – are expected to be able to navigate the millennials and non-millennials’ perceptions of leadership in the work environments and company culture (Faller & Gogek, 2019).

There is a popular belief that millennials have little to no loyalty towards the company they are working for. However, such belief is unsubstantiated. As many as 44% of millennial leaders value loyalty more than other generations. The level of engagement to the work is the key of loyalty among millennials (Wellins & Ray, 2015).

Good leadership correlates to good communication and good employee awareness towards the goals and procedures of the company. While poorly managed companies tend to have role conflicts, well-managed companies often provide clear information and to reduce ambiguity and uncertainty among employees (Chamberlain & Hodson, 2010; Xing, Song, & Yan, 2020). The support from leaders and supervisors are also important to the work environment to improve the productivity of employees (Awan & Tahir, 2015).

Quality of work environment is a sort of tool to determine the willingness of employee to continue working in a company or not. The better the quality of work environment, the more probable employees will continue working. Good quality of work environment can be seen from stress-free level, reward and appreciation, and the security of the job (Markey, Ravenswood, & Webber, 2012; Sander, Rafferty, & Jordan, 2019).

Travel and tourism industry, which have been expanded online, in one of hospitality sectors that benefitted from the rise of the millennials.

Indonesia is predicted to be a main player the Asian Pacific in online travel markets, which coincides with the income growth of online travel agents in Indonesia to reach between 200% to 300% per year from hotels bookings only (Napitupulu, 2012). The data does not only indicate the growth of income but also the growth of workforce required to meet the demands, which mainly originate from millennials.

Previous studies found that work environment was deemed insignificant to leadership and work engagement (Gerard, 2018). Therefore, to give a better view of this understanding, this study seeks to understand further whether and how millennial leadership shape work environments.
2. Literature Review

2.1 Millennial leadership

Leadership is defined as a power to coordinate a group of people towards predestined goals and objectives (Robbins & Judge, 2017). Leadership style can be defined as methods that are used for motivation towards subordinates (Amanchukwu, Stanley, & Ololube, 2015). There are many variations of leadership styles that should be adjusted to the shape and form of the organization. A good leader must have a thorough understanding of what method is perfectly applied to their respective organization to create an optimal result. (Khan, Nawaz, & Khan, 2016).

A certain leadership style is a type of a skill that is decided by the leader itself to what is most suitable to the situation he/she faces in the organizations. In addition to that, leadership is essential to the success of the organization. Work environment full of challenges requires a great leader who knows the importance of continuous learning and full-awareness of their responsibilities (Ali, Jangga, Ismail, Kamal, & Ali, 2015).

In line with the growing number of millennials in the workforce, there is a specific move or trend of behavioral and trait changes in order to generate working multigenerational teams within the organization. The success of the organization is dependent on the leaders' behavior (Balda & Mora, 2011; Martin, 2020).

The research of traits theory of leadership has been done since many years ago. Traits theory focuses more on the personal level of the leader, instead of its relationship with other working members of the organization or other external aspect that may contribute in creating the personality of the leader researched. The main goal of the theory is to define what traits shown by what kind of a person to perform an effective leadership (Germain, 2012). Following traits theory, studies changed direction to other aspect of leaders that can play a huge role in determining one company’s success, which is their behaviors (Gehring, 2007; Deshwal & Ali, 2020). The behavioral theory of leadership argues that leaders are not born, instead they can be trained, and formed through systematical development programs.

This theory argues that different behavior of leaders will create different styles of leadership and the different patterns shown by multiple leaders can be grouped into several types. Research done by Bass in 1990 found constraint leadership styles, which are divided the leaders’ behavior into two types, employee-centered and job-centered.

Employee-centered leaders polish the relationship between them and their subordinates, in the sense of improvement in trust, motivation, and satisfaction level of their employees. In the other hand, job-centered leaders are more focused on the aspects related with the job itself, so that the job can be done as fast as possible (Goff, 2003). The theory of behavioral reasoning tries to explain a pattern which leaders created from their behavior to their intention and dedication. This pattern, known as global motives, are the ignition that will impact the behavior in the workplace and their intention (Westaby, Probst, & Lee, 2010; Mikkelson, York, & Arritola, 2015).

The core of the contingency theory, developed by Fred Fiedler in the 1960s, is that there is not a definitive style that can be applied by a leader. Instead, it is based on the situation and the workplace. The characteristics of the surrounding elements are what make the leader effective.

Fiedler suggests two general types that may provide a better view of his study; with task-oriented and relationship-oriented. The two types are a development from behavioral theory, however in this theory, they are measured from the level of...
interaction between two parties and the degree of control the leader has (Deshwal & Ali, 2020). Although there have been numerous studies regarding this subject, it still creates an ambiguity about the compiled results because the surrounding factors that may contribute to the workplace are so various and dynamic (Vidal, Campdesuner, Rodriguez, & Vivar, 2017).

2.2 Quality of Work Environment

Work environment is where the dynamic and changes are made due to employees' communication of frequently done activities in their work (Angouri, 2018). Work environment must be good in appearance and provide supports to have a great job satisfaction level (Agbozo, Owusu, Hoedoafia, & Atakorah, 2017). Sufficient wage amount for each employee, good communication and understanding between management and employees, equality and fair practices, and jobs with clear definition and challenging goals play an important role at keeping the work environment positive (Abildgaard, et al., 2018).

Work environment is divided into three pieces that cooperates within the same time (Foldspang, et al., 2014). The first one is the physical working environment, like employees' health and the workplace, causes of incidents, and illness. The second one is psychosocial working environment, which is defined by the job factors that influence the communication between the people, the work, and the organization. The last one is the wellbeing of the employees, which includes all the physical and psychological effects of the work towards the people (Mora, Suharyanto, & Yahya, 2020).

Physical work environment is more into the objects that may affect the behavior, attitude, and work motivation level among employees. There are four examples of aspects which affect the employees, like openness, density, accessibility, and darkness. Others that might also affect in the workplace are decorations and particular equipment or facility which will help to fasten the process of work. The correct planning of work stations, the size of space for employees to work with, the amount of light that shines through the office space, and the availability of facilities may contribute in the level of stress, motivation, and satisfaction among employees. Those three qualities are the end goal of this dimension (Carlopio & Gardner, 1992; Weijs-Perrée, Appel-Meulenbroek, Arentze, & Romme, 2019).

Psychological work environment relates to the personal effect received from communication between employee and employer as well as between employees themselves. The support from supervisor, from peers at work, gives a good satisfaction and motivation in their job. Otherwise, when there is a negative behavior happening in the workplace, it may ruin the psychological sense of that person and in the end, there is no comfort in doing the job and they will quit their profession. These negative actions, like harassments, bullying, mobbing, and unhealthy competition will result in employee dissatisfaction and unhappiness in workplace. Lack of information and training, poor flow of communication, bad attitude in solving problems, and inactiveness at work, while they might be done unconsciously, still conjure the same effect to the victims (Vartia, 1996; Boudrias, Trépanier, Foucreault, Peterson, & Fernet, 2020).

Social aspect of work environment plays a main role in determining the level of stressor or stress factors in the workplace. Interpersonal conflict and pressure from supervisor are one of the often-mentioned examples of negative social behavior. Social work environment issues have not been explored thoroughly because the factors that are determining previous leadership theories has little to no influence of the factors connected to psychosocial
work environment. This is due to the inexistence of mental health importance in the past and the absence of support considered in the same degree as mental harassment (Zapf, Knorz, & Kulla, 1996; Nordesjö, 2019).

3. Methodology

This study tries to explain a real-life phenomenon using systematic and subjective data (Burns & Groves, 2009; Mohajan, 2018). The qualitative research provides deeper understanding of everyday life from sources to explain in detail related to the experience (Mason, 2002; Lynch, 2014).

Data consist of primary and secondary. In research, both types are very important to be used as a combination of confirmed, factual data with the fresh, unbiased data (Mohajan, 2018). Primary data is collected through in-depth interviews involving seven participants who have different backgrounds, expertise and positions in the travel and tourism industry in Indonesia.

The secondary data consists of books, journal articles and other documents relevant in this study.

4. Result and Discussion

4.1 Tendency of Millennial Leadership Style

There are debates about leadership styles to lead millennial employees. This study looks into three approaches on the millennial leadership styles.

The first one revolves on the trait leadership theory. It discusses specific traits of millennial leaders. It is usually employed is to find out the demographic of these millennials to be taken into consideration as leaders. In addition to demographic, other qualities that become the focus of this study are task competence and interpersonal attributes (Derue, Nahrgang, Wellman, & Humphrey, 2011; Farahnak, Ehrhart, Torres, & Aarons, 2019). This theory is useful to understand the background of millennial leaders.

The second one is behavioral theory, which was seen as the development of the trait leadership theory. Leader behavior differs a lot depending of their behavior in the preference of how they treat themselves and others at work. This theory suggests that leaders can be made, not born. Through systematic learning and targeted training programs, it is believed that leaders can be shaped and formed according to the need of the company.
This theory suggests that there are three preferences which organizations may choose to shape their millennial leaders: task-oriented, relational-oriented, and change-oriented (Derue, Nahrgang, Wellman, & Humphrey, 2011; Kibbe, 2019). If peer support, supervisor support, and the programs do not integrate well, it will be very hard to direct these leaders to perform as they are expected to be (Bodjrenou & Xu, 2018).

The third is contingency theory. The goal of using contingency theory is to facilitate the study using the model suggested by Fred Fiedler, the creator of this theory. By using contingency theory, this research hopes to identify the millennial leaders by the nature of the work environment surrounding it. This theory states that while people can be generalized into few groups of how methodically they will lead, it all depends on the factors that will benefit and/or ruin from the leader. Such factors as number of employees being led, the complexity of the work, the scale of priority for work, and others may affect someone on how to lead (Cunha, Fortes, Gomes, Rego, & Rodrigues, 2016). From this theory alone, a summary can be taken that leadership alone is affecting and mutually being affected by the work environment.

According to the participants, the most acquainted character of millennial leader comes from his/her ability in Emotional Intelligence (EI).

“Okay, so first, it has a connection with Emotional Intelligence. These millennials will possess the same characteristic when they work as an employee and also when they serve as a leader” (Participant 1, 2020).

EI, in this case, plays as a determining role because millennial use their EI to understand others’ feelings, moods, behaviors, and motivation in work. An attention towards worker’s emotional side, psychological effect of the job, and the rate of changes they have to face every day (Chen & Guo, 2018).

Caring to others is not just a must for a leader, but a must for all human beings. Yet in leadership, not all can have a caring personality towards others. This, however, was found in observation taken towards millennial leaders. Caring is also considered an important characteristic of millennial leaders. Millennials have a tendency to work together, to discuss, and to cooperate towards a communal goal. The act of using care as the main aspect of leadership as an alternative to coercive leadership style is called caring leadership (Tomkins & Simpson, 2015).

Open-mindedness is considered one characteristic intrinsic to millennial leaders. One participant made a point that these millennial leaders are eager to discuss, make suggestions, and respond to feedbacks. He suggested that by using this trait, subordinates can develop themselves well.

“The characteristics of a millennial leader is almost the same like other speakers. But to add, the tendency of these leaders is their open-mindedness. They are more open to feedbacks, suggestions, discussions. This trait is can be manipulated into a good thing for their subordinates” (Participant 5, 2020).

Another participant pointed out that in her experience, millennial leaders should have good communication skills to enable them leading others.

“...very innovative, proactive, inspire others to do and be the same, eager to learn and to develop, and adaptive…a good benchmark for others to be what it takes as millennial leaders... Not only because they are agile, but also because they are very
communicative” (Participant 2, 2020). Communication has long been described as one of the needs in organizational behavior. The same can be drawn from this study. The participants appreciate the communication skills of millennial leaders. It is to no one’s surprise, that millennials own this skill very well, as their world is massively connected, and finding information, friends, and opportunities comes much easier for them. That is why, there is a concept called shared leadership. It uses the communal aspect of millennial leadership as a collective process to achieve a leadership that is regarded as a social contribution to the society (McCleskey, 2018).

The last one described is open-mindedness. Connected to the previous characteristics, open-mindedness can only be understood once the person gives care to what someone else has to say, knows that learning is never wrong, and appreciates the process of sharing insights. To be open-minded means to accept other’s ideas, inputs, feedbacks, and views even if it is against your own beliefs. If a leader is intended to use open-mindedness as a method of leading, he should know the biggest contributor of open-mindedness is willing to listen. If openness is accustomed within the workplace, then it will lead to employees having innovative behavior (Javed, Khan, Arjoon, Mashkoor, & Ulhaque, 2018).

The characteristics of the ideal millennial leaders’ styles share elements of traits, behavioral and contingency leadership styles.

4.2. Quality of Work Environment

Quality of work environment is a part of a broader model called Quality of Work Life Movement (QWL). Quality of work environment is created to examine the quality of well-being of the employees. Well-being is influenced by many factors such as physical, psychological, and social work environment. The intention of this model is to prevent intention to quit while in the same time, increasing level of productivity by maintaining a healthy level of employee well-being.

While many researchers utilized quality of work environment as a tool to prevent on-site injuries and health hazard, there is still a potential of use in establishing fair social structure and clear organization interaction for the sake of the psychological state of the employees. This theory argues that when employee feel safe, comfortable, and have autonomy over his or her job, then the well-being will be good as well as the quality of work environment (Razak, Ma'amor, & Hassan, 2016).

Many employees suffer from stress and overwhelming psychological damage due to their work environment, and according to the previous literatures, one of the biggest contributors is the lack of/excess of supervisory attention. Lack of attention from the higher hierarchy can put the employees under no surveillance, thus creating deviant work behavior, but on the other spectrum, excessive supervision might also make the employees work uncomfortably, thus making them quitting the job or moving to other department (Wu & Parker, 2016).

Therefore, there is a need to define the characteristic of millennial leaders, both for the positive benefits and for the negative traits, so that any sort of unnecessary behavior can be reduced and not harming the quality of the work environment.

This study found that multiple participants described different ways the millennial leaders affecting the work environment. One is related to employee loyalty that require the leaders to act well and behave well to create a positive environment and a nurturing condition. Another one relates to the working appreciation that may influence employee loyalty to the company. The other aspect is how employees need a space of creativity in the workplace, and that the person responsible for cultivating an
environment of creative producing is the leaders. It is the leaders who have the authority to provide infrastructures, to design an autonomy aspect for employees to use their own methods, and to allow employees to engage in creative matters. This is aligned with a previous study where the management, in this case is the leader in charge, should modify the job description so that the workers will feel to have their own ideas and to participate actively in implementing a creative work space (Sia & Appu, 2015).

In this study, millennial leaders can adapt by participation, appreciation, and respect to whoever they may be working with. These have affected the psychological, societal, and physical environment. One participant states that:

“There is a clear connection of leadership style and the work environment. It can be seen from the work retention. Most cases follow as how supervisor treat the subordinate results in the level of retention. When the supervisor does not provide a good care and a good amount of attention to these subordinates, the retention level will be low. In contrast, when the supervisor treats them well, it will keep the retention to the high level” (Participant 3, 2020).

This study confirms millennial leadership link closely to the working environment in the sense of physical, psychological, and social form. For professionals working in travel and tourism industry, there is an obvious connection between the two variables. This study participants described different ways the millennial leaders affecting the work environment. Leaders do shape the work retention, performance and employee loyalty.

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It is the duty of the leaders to understand the needs of his employees such as the need to invent or to innovate. Leaders must bring a healthy surrounding by supporting the employees and motivating them to do a better job.

Leaders should take an approach to design a physical layout where coworkers can communicate better and to initiate an open enclosure of critical thinking discussion. Leaders must take the chance to use the employees’ creativity as an apparatus towards reaching organization targets (Serrat, 2017).

Millennial leaders with its agility can reach out to anyone and do more than one job in one time. The ability to multitask is a skill everyone can learn. In today’s world where the rate of task completed is higher than ever before and the need of complying with societal demands, everyone will eventually need to do some form of multitasking (Geil & Greenwald, 2020).

With the vast branches of how leadership can influence performance, loyalty, motivation, and creativity, it certainly influences the work environment from its physical, social, and psychological aspect. The presence of a good leader will create an environment that empowers the employees (Amor, Vazquez, & Faina, 2020). The connection can come in positive form of leaders being able to pass their good communication skill, their motivation to make employees feel comfortable and stay
loyal, and to create a space where employee engagement is highly appreciated. While in negative form, leaders can also be a reason of employee turnover, a cause of passive engagement or autocratical settings, and a problem for physical and psychological bullying.

The reality that each case should be treated differently, and each situation craves for different solutions, but all participants in this study confirmed how millennial leaders affect their working environment.

5. Conclusion

This study looks at three approaches to millennial leadership styles. The first style revolves around the trait theory of leadership, most specifically demographics, task competencies and interpersonal attributes (Derue, Nahrgang, Wellman, & Humphrey, 2011; Farahnak, Ehrhart, Torres, & Aarons, 2019).

The second one is based on the behavioural theory. This approach believes that leaders can be developed through systematic learning and targeted training programs. Organizations mainly expect three behaviours from their millennial leaders: task-oriented, relational-oriented, and change-oriented (Derue, Nahrgang, Wellman, & Humphrey, 2011; Kibbe, 2019). If peer support, supervisor support, and programs are not well integrated, it will be very difficult to direct these millennial leaders to work as expected (Bodjrenou & Xu, 2018).

The third style is based on contingency theory. The goal of using contingency theory is to identify the millennial leaders based on the nature of the work environment factors such as the number of employees being led, the complexity of the work and the scale of priority for work (Cunha, Fortes, Gomes, Rego, & Rodrigues, 2016).

Quality of work environment is employed as a variable to examine the quality of well-being of the employees. Well-being is influenced by many factors such as physical, psychological, and social work environment. The intention of this model is to prevent intention to quit while in the same time increasing level of productivity by maintaining a healthy level of employee well-being. When employee feel safe, comfortable, and have autonomy over his or her job, then the well-being will be good as well as the quality of work environment (Razak, Ma'amor, & Hassan, 2016).

This study confirms that millennial leadership link closely to the working environment in the sense of physical, psychological, and social form. For professionals working in travel and tourism industry, there is an obvious connection between these variables. This study participants described in different ways how millennial leaders shape the work environment, particularly on work retention, performance and employee loyalty.

However, this study did not use a large number of samples. Therefore, it is recommended that further research use qualitative research and apply the model to different business fields.

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