

The Relationship between Leadership Styles and Organizational Commitment - Exploring the Mediating Effect of Diversity, Equity, and Inclusion (DEI) Practices

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Abstract: *This study explores the impact of Diversity, Equity, and Inclusion (DEI) practices on human resource management in the hospitality industry. It focuses on the relationship between leadership styles and organizational commitment. By scrutinizing the interplay of these elements, the research aims to offer practical insights for addressing labor shortages, enhancing employee satisfaction, and bolstering organizational competitiveness. Key research questions explore the positive influence of DEI practices on leadership styles, their mediating role between leadership styles and organizational commitment, and the distinct mediating effects of Diversity, Equity, and Inclusion. The research concludes that transformational leaders who inspire and motivate their teams foster organizational commitment by promoting inclusive practices. Transactional leaders who focus on clear expectations and rewards indirectly impact commitment by ensuring fair and equitable treatment. The study recommends that organizations invest in leadership development programs emphasizing transformational leadership skills and integrating equity-focused practices. A notable research trend emerging from this study is the concept of an Inclusive Leadership Model, emphasizing the mediating roles of DEI practices in tandem with leadership styles. This research aims to guide the hospitality industry in formulating human resource management strategies and promoting DEI practices.*

Keywords: DEI practices, leadership styles, organizational commitment

INTRODUCTION

In the trend of globalization, the diversity and inclusiveness of organizations are becoming increasingly important. Diversity can enhance organizations' innovative ability and competitiveness and strengthen their adaptability and flexibility (Herring, 2009). Diversity, equity, and inclusion are important in a

highly labor-intensive and consumer-facing hospitality industry. However, this industry faces a serious labor shortage, which may harm its operations and service quality. According to reports by the Economist (2022), these factors include the impact of the pandemic, harsh working conditions, and low wages. The reasons for the labor shortage in the hospitality industry are diverse and complex. In addition to the impact of the pandemic, harsh working conditions, and low wages, the hospitality industry's performance in Diversity, Equity, and Inclusion (DEI) is also an important internal factor. DEI affects not only the job satisfaction, retention rate, and productivity of hospitality industry employees but also the hospitality industry's customer base, market competitiveness, and social responsibility (Cheers Magazine, 2023).

According to the 2022 DEI report of the National Restaurant Association, there is a significant gap in DEI in the hospitality industry; that is, the perception of diversity and inclusiveness of the enterprise itself is inconsistent with the experience of employees (National Restaurant Association, 2022). The report found that although the composition of employees in the hospitality industry is relatively diverse, the proportion of women, people of color, and ethnic minorities in senior management and leadership positions is still low (National Restaurant Association, 2022). In addition, employees in the hospitality industry are not satisfied with the efforts and results of the company in DEI, and believe that the company lacks commitment, strategy, and action in DEI (National Restaurant Association, 2022). Therefore, DEI is an important factor in the labor shortage problem of the hospitality industry, and it is also a key factor in the transformation and upgrading of the hospitality industry. The hospitality industry needs to invest more resources and energy in DEI to improve the satisfaction of employees and customers and enhance its competitiveness and social responsibility.

On the other hand, according to a survey of Taiwan's corporate DEI conducted by Cheers Magazine in February 2023, the hospitality industry's performance in indicators such as physical and mental care, age, and gender is not ideal, indicating that there is still room for improvement in the atmosphere and system of diversity and inclusion in this industry. Some possible reasons include the low wage level in the hospitality industry leading to talent loss and lack of attractiveness; the irregular working hours in the hospitality industry making it difficult to balance work and life; and the fixed work content in the hospitality industry leading to a lack of challenge and development. Although DEI is not a new concept, many companies have re-emphasized it recently due to the rise of ESG issues. If companies show a conservative attitude, they will likely lose key talents and global markets and have a high probability of not making a profit. Therefore, for the hospitality industry, DEI is an issue that cannot be ignored

because this industry involves contact and communication with guests of different cultures, backgrounds, and needs. If there can be a diverse workforce, it can provide better quality, be more intimate, and be more in line with guests' expectations. In addition, the hospitality industry is also highly competitive. A diverse team can increase innovation ability and competitive advantage, creating more differentiation and added value. Therefore, how the hospitality industry implements DEI and attracts and retains excellent talents has also become our common challenge. Some possible strategies include raising the wage level in the hospitality industry to meet market standards and employee expectations, providing flexible work arrangements in the hospitality industry to adapt to the needs and preferences of different employees, providing diverse training opportunities in the hospitality industry to increase employee skills and knowledge; establishing a diverse culture in the hospitality industry to promote employee communication and cooperation. Effective DEI practices can help the hospitality industry attract and retain more employees, alleviating the labor shortage problem. In addition, DEI can also improve employee job satisfaction and organizational commitment, reducing employee turnover (Ashikali et al.s, S.,2013).

Human Resource Issues in the Hospitality Industry:

According to the 2023 report by Taiwan Trend Research, the hospitality industry has been facing major issues in recent years, such as a high labor turnover rate (42.3%), leading to high personnel costs (46%), and the unwillingness of employees to stay, leading to shortages (40.1%). From 2019 to 2022, there was a specific relationship between the number of profitable businesses, sales, and the number of employees in the hospitality industry. Over the past few years, the number of profitable businesses in the hospitality industry has been increasing yearly, from 142,000 in 2018 to 164,000 in 2022. Even during the COVID-19 pandemic in 2021, the number of businesses in the hospitality industry continued to grow. Before the pandemic, the hospitality industry's sales grew by more than 5%. However, affected by the pandemic, the growth of sales slowed down in 2020, and in 2021, due to the outbreak of the local epidemic and the implementation of the third-level epidemic alert, the sales of the hospitality industry dropped to 569 billion yuan. However, in 2022, with the advent of the post-epidemic era and the relaxation of epidemic prevention policies, the sales of the hospitality industry saw a huge increase, breaking through 600 billion, far exceeding the business performance before the epidemic. Before the pandemic, the number of employees in the hospitality industry showed an increasing trend year by year. However, affected by the epidemic, the number of employees in 2020 dropped sharply to about 390,000. It gradually recovered in the next two years, but the increase was slow, and the number of employees did not return to the level before the epidemic.

In summary, the hospitality industry faces serious labor supply and demand problems. According to a report by the Economist (2022), under the impact of the pandemic, employees in the hospitality industry are under tremendous pressure, leading to fatigue. After the epidemic, the labor gap still exists, and recruiting human resources will be more difficult. The reasons for employee resignation include fear of infection, finding better opportunities in other industries, and psychological fatigue. During the pandemic, many employees, especially service industry employees who could not adopt a hybrid work style, began to feel tired. They had to deal with angry customers, implement new health norms, and do other new work, making them feel more tired. What's worse is that after some employees resigned, those who stayed had to take on the work, and the pressure increased, leading to more people wanting to resign and falling into a vicious circle. Even if companies respond actively, the hospitality industry has raised salaries, but the raise may not be enough. The incentive of a raise itself cannot attract resigned employees to return. However, large retailers like Amazon raise salaries and provide benefits outside of salary, such as university tuition subsidies, maternity leave, promotion plans, etc. Therefore, solving the labor shortage in the hospitality industry is not simply increasing supply (such as introducing foreign labor) or simply increasing financial incentives can solve it.

Diversity, Equity, and Inclusion Practices in the Hospitality Industry

The hospitality industry involves multiculturalism, international exchange, and social responsibility. Therefore, promoting the values of DEI (Diversity, Equality, Inclusion) is of great significance for improving the quality and competitiveness of hospitality talents and promoting the sustainable development of the hospitality industry. DEI practices are a management concept and an innovative strategy that can help the hospitality industry cope with environmental changes, market demand, social expectations, etc., and create more business opportunities and value. According to the survey by the National Development Council (Tourism Bureau of Ministry of Transportation Taiwan, 2022), the current talent supply and demand problems faced by our country's hospitality industry mainly include the following aspects: First, the talent gap, especially the lack of senior management talents and professional technical talents; Second, talent loss, the main reasons are low salary, high work pressure, unclear career development; Third, talent quality, including language ability, professional knowledge, service attitude, innovative thinking and other aspects of inadequacy or unevenness; Fourth, talent cultivation, involving deficiencies or non-cooperation in the education system, industry-university cooperation, on-the-job training, etc. DEI can provide an effective way to solve these problems. First, DEI can help the hospitality industry attract and retain diverse talents, including genders, ages, races,

cultures, abilities, etc. This can increase the hospitality industry's human resources and improve its multicultural ability to adapt to different customer groups and markets. Second, DEI can help the hospitality industry establish an equal and inclusive work environment where every talent can get fair and respectful treatment and growth opportunities. This can reduce talent loss and also improve talent job satisfaction and performance. Finally, DEI can help the hospitality industry stimulate and integrate diverse creativity, allowing every talent to play their strengths, contribute ideas, and participate in their projects. This can improve the professional quality of talents and promote the hospitality industry's innovative development. In summary, DEI is a value that benefits hospitality talents and the hospitality industry. It can help the hospitality industry solve the problem of talent supply and demand and help the hospitality industry create more value. Therefore, the hospitality industry should actively promote DEI practices and cooperate with educational institutions, government departments, social groups, and other relevant stakeholders to jointly cultivate and develop hospitality talents that meet DEI.

Research Questions

This study aims to deeply understand the impact of DEI practices on human resource management in the hospitality industry, especially focusing on the relationship between leadership styles and organizational commitment. It poses the following primary research questions:

How do Diversity, Equity, and Inclusion (DEI) practices impact leadership styles in the hospitality industry?

To what extent do DEI Practices mediate the relationship between Transformational Leadership and Organizational Commitment in the hospitality sector?

Exploring the interaction between these factors is expected to provide practical suggestions for human resource management in the hospitality industry to enable the industry to cope more effectively with the labor shortage problem, improve employee satisfaction, and enhance the competitiveness and adaptability of the organization and propose specific suggestions to promote the comprehensive application of DEI practices in the industry, thereby solving the challenges currently faced.

Research Framework and Hypothesis Development

With the implementation of DEI practices, it will bring about changes in the way the company operates. First, it will enhance the vision and cognition of leaders. DEI practices can allow leaders to contact employees from different backgrounds, expanding their horizons and enhancing their understanding of differences in diversity, gender, age, etc. This will help leaders better understand and manage diverse teams and formulate more inclusive and fair policies and systems. Secondly, the change in leadership

style and DEI practices can prompt leaders to change from traditional authoritative or transactional leadership to more democratic and transformational leadership. This change can improve employee job satisfaction and organizational commitment and create a more harmonious and innovative working environment. In addition, DEI practices can indirectly promote organizational change. When leaders promote DEI practices, they will guide the organization towards a more open, inclusive, and innovative direction and can enhance the competitiveness and adaptability of the organization.

In summary, DEI practices can change enterprises' leadership styles and positively impact the organization's development and success. Leadership styles also usher in inclusive leadership, a new leadership style. It emphasizes the inclusion of different backgrounds in the workplace, respects and retains each person's differences, and enhances the value that individual uniqueness can bring. Therefore, the leadership style of this study, in addition to exploring the well-known transformational leadership and transactional leadership, to respond to the trend of leadership style changes caused by current globalization. The hospitality industry also faces many challenges in human resource management, such as high turnover rate, low employee satisfaction, and high labor intensity (Lee et al,2019). However, current research on the practice and impact of DEI in human resources in the hospitality industry is still relatively lacking. Therefore, this study hopes to fill this research gap and provide empirical basis and practical suggestions for human resource management in the hospitality industry. This study's theoretical model and hypotheses are outlined below, as depicted in Figure 1.

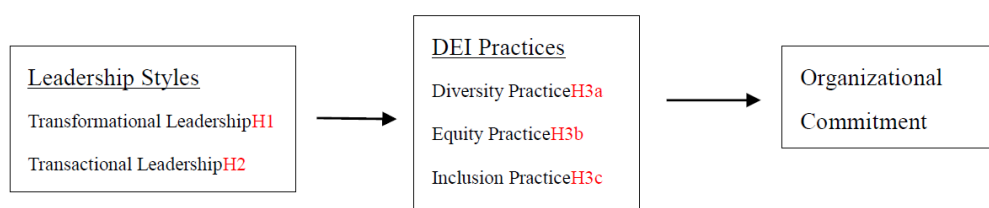


Figure 1: Framework of this study framework

The theoretical model presented in Figure 1 illustrates the interconnected relationships among leadership styles, DEI Practices, and organizational commitment, providing a comprehensive

framework for understanding the complex dynamics within organizational operations.

Leadership Styles in DEI Practices

Leadership styles, also known as leadership behaviors, refer to the ways and methods leaders adopt in the leadership process. These styles can be adjusted according to the leader's personality, experience, situation, and the needs and responses of team members. Fiedler's contingency leadership theory is a management model that believes a leader's effectiveness depends on the leader's interaction style and situation. The basic premise of this theory is that an individual's leadership style is the result of their life experiences, and each leader has their personality and experiences, which will affect their unique leadership style. This style evolves over time and with changes in the environment. Therefore, this study will mainly discuss transformational and transactional leadership, which are more often argued.

In the hospitality industry, transformational leadership plays a key role. This type of leadership can make absolute changes in employees' mentality and make them actively committed to the goals and tasks of the hospitality industry (Yukl, 2012). Transformational leadership is an organizational change process that combines the common needs and desires of organizational members, and consensus and commitment to organizational goals are established through leadership roles.

Transformational leadership has four behavioral characteristics: it can make employees trust the leader, and their behavior helps to achieve the goals of the hospitality industry while also stimulating the motivation of employees. They make employees feel the importance of completing tasks and performing well, enhancing their growth, development, and sense of accomplishment. In addition, they also inspire employees to work hard for the benefit of the hospitality industry and give them opportunities to develop and grow in their work (Bass et al, 2003).

Transformational leaders are usually admired, respected, and trusted. The connection between them and their employees is based on trust and commitment beyond the scope of contracts and agreements. Transformational leaders will inspire employees to progress and perform beyond the expected standards in their work and encourage them to have an optimistic view of the future, plan with an idealistic perspective, and communicate fully to complete the work (Benjamin & Flynn, 2006).

Transformational Leadership Hypotheses:

H1a: There is a positive relationship between Transformational Leadership and Diversity Practice.

H1b: There is a positive relationship between Transformational Leadership and Equity Practice.

H1c: There is a positive relationship between Transformational Leadership and Inclusion Practice.

The transactional leadership model is a leadership method based on rewards and punishments. Leaders set clear goals and provide rewards or punishments to encourage employees to achieve goals. This leadership style emphasizes achieving goals and completing tasks and is usually very effective in organizations (Bass et al, 2003). Transactional leadership includes exception management, laissez-faire leadership, and contingent rewards. In exception management, in this leadership style, leaders only intervene when employees' performance does not meet expectations. This method can save the leader's time and resources, but it may cause employees to feel uneasy or uncertain (Bass, 1997). Laissez-faire leadership is the least intervention of leaders in employees' work. This method can provide employees with more freedom and innovative space, but a lack of appropriate supervision may lead to inefficiency (Benjamin & Flynn, 2006). Contingent rewards are rewards given based on employee performance. This method can effectively motivate employees and improve their job satisfaction and efficiency (Benjamin & Flynn, 2006).

Transactional Leadership Hypotheses:

H2a: There is a positive relationship between Transactional Leadership and Diversity Practice.

H2b: There is a positive relationship between Transactional Leadership and Equity Practice.

H2c: There is a positive relationship between Transactional Leadership and Inclusion Practice.

DEI Practices and Organizational Commitment

Organizational commitment refers to the loyalty and identification that employees feel towards their organization, which may stem from emotional attachment (affective commitment), a sense of moral obligation to the organization (normative commitment), or the high cost associated with leaving the organization (continuance commitment) (Meyer, et al., 1993). Research indicates that in service-oriented organizations, adopting inclusive leadership and establishing work engagement practices contribute to a greater sense of employee involvement. These engaged employees exhibit improved job-crafting behaviors, leading to enhanced performance and, consequently, increased organizational commitment (Jaleel et al.; ., 2024). Inclusive leadership also positively influences follower–leader goal congruence, positively impacting organizational commitment. This leadership style indirectly reduces turnover intention by fostering organizational commitment (Yasin et al., 2023). Furthermore, Human Resource Development (HRD) practices are significantly correlated with affective commitment, a component of organizational commitment. Notably, organizational commitment mediates HRD practices and employee engagement, indicating that effective HRD practices can promote

organizational commitment and enhance employee participation (Awwad et al., 2023).

According to the report “2023 Taiwan Top 50 Enterprises DEI Status Analysis” by Cheers Magazine, Taiwan faces population aging and labor shortage challenges. With the population's median age approaching 44, it is estimated that by 2030, the labor population aged 25-44 will decrease by 14.1%, while those aged 45-64 will increase by nearly 20%. It points out that Taiwan is known as the “island of early retirement,” with the highest retirement rate in East Asia after age 55, indicating that there are certain problems in Taiwan’s use of middle-aged and elderly labor. Therefore, Taiwan needs to think about how to use middle-aged and elderly labor better and formulate corresponding policies and measures to cope with the shortage of human resources. Taiwan faces the dual challenges of the aging population and tight labor supply, which poses major challenges to recruiting, training, and retaining corporate talent.

In addition, the survey found that the DEI score given to enterprises by Taiwanese employees is only 61.5 points. As many as 79.1% of employees believe that DEI is important in their job search and retention. Young people have a very high recognition of workplace friendliness, but this proportion gradually decreases with age. By the age of 51, almost half of the people think that the workplace is unfriendly to them. In the era of labor shortage, should we think about how to reduce discrimination and prejudice against middle-aged and elderly people and allow more people to stay in the workplace? In addition, the current situation of female employees in enterprises found that from the grassroots to senior management, the attrition rate is as high as 23%, and the salary gap also widens with the increase in job level. Among the female directors of global MSCI index stock companies, Taiwan’s proportion is lower than that of China and Japan, and there is a significant gap with the international community. The report also mentioned that the parental leave policy has been implemented for many years. However, there are still gender differences and impacts of industry characteristics on the application rate.

Based on the aforementioned research and surveys, it can be inferred that leadership styles, organizational commitment, and Diversity, Equity, and Inclusion (DEI) practices are closely interconnected. In other words, leadership styles and work engagement practices constitute integral components of DEI practices. These practices can potentially enhance employees' commitment, improving organizational performance and job satisfaction. Therefore, the following hypotheses can be posited:

Mediation Hypotheses:

H3a1: Diversity Practice mediates the relationship between Transformational Leadership and Organizational Commitment.

H3a2: Diversity Practice mediates the relationship between Transactional Leadership and Organizational Commitment.

H3b1: Equity Practice mediates the relationship between Transformational Leadership and Organizational Commitment.

H3b2: Equity Practice mediates the relationship between Transactional Leadership and Organizational Commitment.

H3c1: Inclusion Practice mediates the relationship between Transformational Leadership and Organizational Commitment.

H3c2: Inclusion Practice mediates the relationship between Transactional Leadership and Organizational Commitment.

Research Subjects and Sampling Method

This study focused on employees in the international chain hospitality industry, as the number of employees may impact how businesses implement and achieve the effects of DEI practices. To address this, we categorized businesses into three sizes based on their number of employees: small (below 50 employees), medium (50-200 employees), and large (200 employees or more). Stratified convenience sampling was employed in this study, conducting surveys for different employee sizes (200 surveys for small businesses, 200 surveys for medium-sized businesses, and 200 surveys for large businesses). In total, 600 surveys were distributed, and 451 valid responses were collected, resulting in an effective response rate of 75.2%. Among the respondents, 57.6% were female, and 42.4% were male. Regarding age distribution, 35.5% were below 25 years old, 44.1% were between 25 and 30 years old, 16.3% were between 31 and 40 years old, and 4.1% were between 41 and 50. Regarding tenure, 18.2% had less than 5 years of experience, 35.3% had 5 to 10 years, 37.9% had 11 to 15 years, and 8.6% had over 15 years. Regarding job nature, the majority (88.2%) were non-supervisory, while only 11.8% held supervisory positions.

Data Analysis Methods

The first stage of this study involved descriptive statistics for each variable, including measures such as mean and standard deviation, correlation coefficients, reliability analysis, and exploratory factor

analysis. Structural Equation Modeling (SEM) was applied in the second stage for Confirmatory Factor Analysis (CFA). The purpose was to understand the internal consistency and fit of each variable under the measurement model of this study, examining the indicators of fit, including Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), and Construct Reliability (CR). These indicators help evaluate the coherence and adequacy between factors and measurement items. Finally, Structural Equation Modeling was used to explore the causal relationships among variables in the model.

Results-Validity, Reliability, and Descriptive Statistics of Variables.

The DEI Practices questionnaire was self-compiled, so an exploratory factor analysis was conducted on its dimensions. The number of factors was determined by the standard of obtaining an Eigenvalue greater than 1 in the analysis, and the factor loadings of each item were obtained using the varimax rotation method. Items with an absolute value greater than 0.5 were selected as the factors constituting the factor. As shown in Table 1, the DEI Practices factor analysis results show that each item's factor loadings are above 0.5 and can be classified into three factors. Questions 1-5 are 'Diversity Practice', questions 6-10 are 'Equity Practice', and questions 11-15 are 'Inclusion Practice'. The cumulative explained variance of the three factors is 72.10%.

The main variables of this study include “Transformational Leadership,” “Transactional Leadership,”

Table 1 DEI Practice Confirmatory Factor Analysis Factor Load Table

	Measurement Items	Load Factor (Standardized)	Cronbach's α
Diversity Practice	My organization values the diversity of identity, culture, experience, and professional skills of its employees.	0.826	0.848
	My organization ensures that all ethnic groups are represented among its employees.	0.797	
	My organization encourages employees to share their culture and experiences.	0.763	
	My organization provides equal opportunities for all employees to demonstrate their professional skills.	0.833	
	My organization respects and accepts employees from different backgrounds.	0.829	
Equity Practice	My organization ensures that all employees receive equal treatment.	0.790	0.865
	My organization is committed to eliminating barriers that may limit employee growth.	0.773	
	My organization provides the necessary resources and support to ensure that all employees have the opportunity to succeed.	0.866	
	My organization is fair and impartial in its performance evaluations of all employees.	0.757	
	My organization ensures that all employees are treated fairly in terms of promotion and development opportunities.	0.889	
Inclusion Practice	My organization creates an environment where employees feel a sense of belonging.	0.716	0.833
	My organization makes me feel like a valued part of it.	0.815	
	My organization encourages employee participation in the decision-making process.	0.773	
	My organization respects and accepts different viewpoints and opinions.	0.757	
	My organization provides an environment where all employees can fully utilize their talents.	0.826	

Note: ** indicates a significance level of P less than 0.01.(** = $P < 0.01$)

“Diversity Practice,” “Equity Practice,” “Inclusion Practice,” and “Organizational Commitment.” The mean, standard deviation, reliability Cronbach’s α value, and correlation coefficient between variables are shown in Table 2. The reliability Cronbach’s α value of each variable in the scale is greater than 0.7, indicating that the internal consistency between the measurement items of each scale variable is within an acceptable range.

Table 2 Mean, Standard Deviation, Correlation Coefficient, and Reliability

Research Variables	Mean	Standard Deviation	1	2	3	4	5	6
1 Transformational Leadership	3.36	0.76	(0.92)					
2 Transactional Leadership	3.08	0.65	0.23*	(0.87)				
3 Diversity Practice	2.66	0.86	0.33*	0.28*	(0.84)			
4 Equity Practice	3.34	0.71	0.17	0.35*	0.18*	(0.86)		
5 Inclusion Practice	3.08	0.69	0.47*	0.01	0.28*	0.17*	(0.83)	
6 Organizational Commitment	3.49	0.59	0.39*	0.21*	0.01	0.25*	0.22*	(0.77)

Note: 1 Sample size = 451

2. The value of Cronbach's α for each variable is in ().

3. The asterisk * in the correlation coefficient analysis indicates a significant level where the P-value is above 0.05.

In the confirmatory factor analysis, scholars believe the CR value should be above 0.5 for better results (Garver & Mentzer, 1999). For the “Convergent Validity” part, after calculating the measurement model for each variable, the factor loadings and T-value values of all variables are obtained. Table 3 shows that the absolute values of the T-values between the variables are all higher than 1.96, and reach a significant level of $\alpha=0.05$ or above, indicating that the scale has good convergent validity.

Table 3 Confirmatory Factor Analysis Table

Research Variables	Number of Question	CR	GFI	AGFI	RMSEA	Load Factor	T-value
1 Transformational Leadership	12	0.922	0.855	0.802	0.105	0.403-0.848	8.333-19.507
2 Transactional Leadership	9	0.893	0.961	0.912	0.075	0.599-0.828	11.839-18.991
3 Diversity Practice	5	0.876	0.954	0.871	0.107	0.581-0.948	9.848-16.534
4 Equity Practice	5	0.928	0.918	0.758	0.168	0.462-0.878	9.073-18.991
5 Inclusion Practice	5	0.866	0.965	0.878	0.088	0.443-0.946	9.640-18.792
6 Organizational Commitment	8	0.768	0.912	0.851	0.101	0.176-0.773	6.831-17.818

Path Analysis Results

This study employed a structural equation modeling approach to conduct path analysis, with all variables used in the path analysis being first-order latent variables. These latent variables are composed of relevant observed variables (i.e., items). Parameter estimates, such as exogenous variable → endogenous variable and endogenous variable → endogenous variable, were obtained through ML estimation, and the T-values were used to test whether the paths hypothesized in this study reached a significant level. In the T-test, if the absolute value is greater than 2, the estimated parameters have reached a significant standard, confirming the acceptance of the hypothesized path.

The paths of Transformational Leadership → Equity, Transactional Leadership → Inclusion, Diversity → Organizational Commitment ($\beta = -0.055, -0.089, -0.068$, T-values -1.131, 1.886, -1.443) did not reach a significant level. Following the principle of path simplicity, non-significant paths were systematically removed. First, the path Transformational Leadership → Equity was removed ($\chi^2 = 42.43$, $df = 3$, $GFI = 0.97$, $AGFI = 0.756$, $RMSEA = 0.13$). Next, the path Diversity → Organizational Commitment was removed ($\chi^2 = 44.30$, $df = 4$, $GFI = 0.97$, $AGFI = 0.80$, $RMSEA = 0.15$). A latent variable controlling for common method variance was introduced to account for possible influences of common method variance, and the results were re-estimated ($\chi^2 = 15.22$, $df = 3$, $GFI = 0.99$, $AGFI$

= 0.91, RMSEA = 0.10). The final estimated results are shown in Figure 1.

The research findings indicate that only "H3c1: Inclusion practice mediates the relationship between Transformational Leadership and Organizational Commitment" and "H3b2: Equity practice mediates the relationship between Transactional Leadership and Organizational Commitment" received support, while the remaining hypotheses were not supported. The path diagram illustrates that within the DEI practice construct, only Inclusion and Equity mediate between Transformational Leadership and Organizational Commitment, as well as between Transactional Leadership and Organizational Commitment.

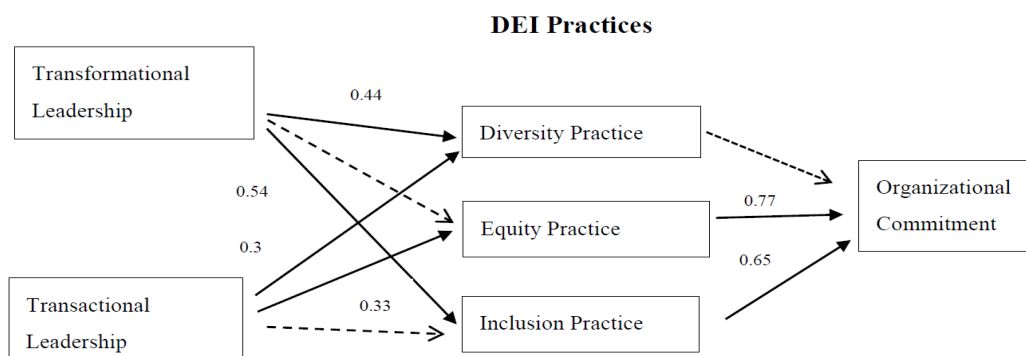


Figure 2: Results of the path analysis for this study framework (dashed lines indicate insignificant paths)

The supported hypotheses (H3b2 and H3c1) highlight the crucial mediating roles of Inclusion Practice and Equity Practice in shaping the relationships between leadership styles and organizational commitment within the context of the hospitality industry. Let's delve into the implications of these findings.

Mediation by Inclusion Practice:

Transformational Leadership → Inclusion Practice → Organizational Commitment: The mediation of Inclusion Practice in the relationship between Transformational Leadership and Organizational Commitment suggests that leaders who exhibit transformational qualities contribute to a more inclusive organizational culture. Transformational leaders, known for inspiring and motivating their teams, indirectly foster organizational commitment by promoting employees' sense of belonging and inclusivity. Hospitality industry leaders should nurture transformational leadership qualities to enhance employee commitment by facilitating inclusive practices.

Organizations should invest in leadership development programs that specifically emphasize transformational leadership skills. This includes fostering a culture that values diversity, empowers employees, and encourages collaborative decision-making. Inclusive practices should be integrated into leadership training to create a workplace environment that resonates with employees, fostering a strong commitment to the organization.

Mediation by Equity Practice:

Transactional Leadership → Equity Practice → Organizational Commitment: The mediating role of Equity Practice in the relationship between Transactional Leadership and Organizational Commitment suggests that transactional leaders, who focus on clear expectations and rewards, indirectly impact commitment by ensuring fair and equitable treatment. When employees perceive fairness in transactional exchanges, it contributes to a positive organizational commitment. Hospitality industry leaders should emphasize transparent communication, reward systems, and fair treatment to strengthen employee commitment.

Organizations should integrate equity-focused practices into their leadership training programs. This involves promoting fairness in decision-making, clearly communicating expectations, and implementing transparent reward systems. Ensuring equity in transactions and interactions with employees will foster a positive organizational commitment, contributing to a more engaged and satisfied workforce

DISCUSSION

In conclusion, this study provides valuable insights into the impact of Diversity, Equity, and Inclusion (DEI) practices on leadership styles and organizational commitment in the hospitality industry. Transformational leaders foster organizational commitment by promoting inclusive practices by inspiring and motivating their teams. Similarly, transactional leaders, focusing on clear expectations and rewards, indirectly impact commitment by ensuring fair and equitable treatment.

The research emphasizes the importance of DEI practices in mediating the relationship between leadership styles and organizational commitment. It introduces the concept of an Inclusive Leadership Model, highlighting the mediating roles of DEI practices alongside leadership styles. This model could guide the hospitality industry in formulating human resource management strategies and promoting DEI practices. The study recommends that organizations invest in leadership development programs

emphasizing transformational leadership skills and integrating equity-focused practices. These findings underscore the potential of DEI practices to address labor shortages, enhance employee satisfaction, and bolster organizational competitiveness.

This study sheds light on the intricate relationships between DEI practices, leadership styles, and organizational commitment in the hospitality industry and contributes significantly to leadership theory. The transformative influence of leadership, especially the role of transformational leaders in cultivating an inclusive organizational culture and fostering organizational commitment, is a key finding. The study introduces the novel concept of an Inclusive Leadership Model, emphasizing the interplay between transformational leadership qualities and integrating DEI practices. This model, rooted in empirical evidence from the hospitality industry, is valuable to existing leadership theories.

The implications of this research are profound for the hospitality industry, where workforce diversity and customer expectations are paramount. Fostering transformational leadership skills among managers is crucial for creating an inclusive organizational culture and positively impacting employee commitment. The Inclusive Leadership Model, identified and promoted by the study, provides a practical roadmap for hospitality management, encouraging the integration of inclusive practices into leadership training. Recommendations include prioritizing transparent communication, fair treatment, and equitable reward systems to enhance organizational commitment. Continuous evaluation and adaptation of leadership styles and DEI practices are essential for staying competitive and fostering a positive organizational culture. In essence, this study advances academic understanding and offers actionable recommendations for leaders and managers in the hospitality sector, enabling the creation of inclusive, committed, and competitive environments.

Theoretical Contribution

The study contributes significantly to leadership theory by introducing and emphasizing the importance of Diversity, Equity, and Inclusion (DEI) practices as critical mediators in the relationship between leadership styles and organizational commitment within the hospitality industry. The Inclusive Leadership Model is a novel framework that integrates transformational leadership qualities with DEI practices, providing empirical evidence from the industry.

Inclusive Leadership Model: Introducing the Inclusive Leadership Model extends existing leadership theories by highlighting the interconnectedness of transformational leadership and DEI practices. This

model suggests that effective leaders inspire, motivate, and play a crucial role in fostering an inclusive organizational culture through DEI practices. This contribution enriches leadership theory by acknowledging the multifaceted nature of leadership's impact on organizational commitment.

Mediation Roles: The study contributes to understanding mediation mechanisms within the leadership-commitment relationship. It identifies two key mediation pathways: Inclusion Practice mediating the relationship between Transformational Leadership and Organizational Commitment and Equity Practice mediating the relationship between Transactional Leadership and Organizational Commitment. This nuanced exploration enhances the comprehension of how leadership styles indirectly influence commitment through specific organizational practices.

Practical Roadmap for Hospitality Management: The study provides actionable recommendations for leaders and managers in the hospitality sector. It advises the integration of transformational leadership skills into leadership development programs and the incorporation of equity-focused practices. The practical roadmap, rooted in empirical evidence, assists in creating inclusive, committed, and competitive environments. This practical application of theoretical insights contributes to bridging the gap between theory and practice in leadership studies.

In summary, the study's theoretical contributions and practical implications provide a comprehensive understanding of the interplay between leadership styles, DEI practices, and organizational commitment in the hospitality industry. The recommendations guide leaders and managers to navigate the challenges of a dynamic industry, fostering commitment, satisfaction, and competitiveness. The call for ongoing research ensures the relevance and applicability of these insights in an ever-changing landscape.

Hospitality Management Application

From a practical application perspective, this study provides valuable insights and practical recommendations for managers in the hospitality industry. Firstly, the study suggests that organizations should invest in leadership development programs that strengthen transformational leadership qualities, incorporating these traits into leadership training. This involves fostering a culture that values diversity, empowers employees, and encourages collaborative decision-making. Additionally, the research emphasizes integrating inclusive practices into leadership training to create a work environment that resonates with employees, promoting organizational commitment. Secondly, for transactional

leadership styles, the study recommends integrating practices focused on fairness and transparency into leadership training programs. This includes promoting fairness in decision-making, clearly communicating expectations, and implementing transparent reward systems. Ensuring fairness in transactions and interactions with employees contributes to the formation of positive organizational commitment. Therefore, this study offers a practical pathway for the hospitality industry, highlighting the importance of incorporating inclusivity and equality practices into management strategies through leadership training. These recommendations assist managers in navigating the dynamic changes in the industry, fostering a work environment that is inclusive, committed, and competitive.

Conclusion

Given the dynamic nature of the hospitality industry, continuous research into the effects of Inclusion and Equity Practices on leadership styles and organizational commitment is imperative. Ongoing assessments empower researchers and practitioners to adapt strategies in response to shifting employee expectations and industry trends. Longitudinal studies are particularly valuable for gaining insights into the sustained effectiveness of inclusive practices, providing crucial knowledge for organizational success. Future research should prioritize integrating inclusive and equitable practices into leadership development programs. Examining explicit modules addressing these practices ensures that leaders in the hospitality sector are adequately prepared to create environments conducive to commitment and loyalty among their teams. Investigating the effectiveness of such training programs and identifying best practices can contribute valuable insights for organizational development in the evolving hospitality industry landscape.

In summary, supported hypotheses underscore the pivotal role of Inclusion and Equity Practices as critical mediators between leadership styles and organizational commitment in the hospitality industry. Recognizing the importance of these practices, leaders and managers should integrate them into their leadership strategies and employee development plans to foster a more equitable and inclusive work environment, ultimately enhancing employee commitment and satisfaction. Additionally, this study opens a new avenue for future research, urging scholars to explore the inclusive leadership model and its impact on organizational effectiveness and success. This line of inquiry will deepen understanding of the relationships between leadership styles, organizational practices, and outcomes, providing effective strategies for organizational enhancement. These research directions hold significance and merit further exploration and study.

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