

## The Effect of Leadership perceived by Flight Attendants on Core Self-Evaluation and Job Performance

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**Abstract:** This study intends to examine the effect of leadership types of cabin managers on core self evaluation and job performance. Survey was done from February 10-28, 2017 using cabin crew of airlines in Korea. A total of 270 copies were retrieved. Excluding 52 copies, 218 copies were used in analysis. Frequency analysis of the data was done using SPSS 21.0 and AMOS 22.0. Then, through confirmatory factor analysis, the validity of the model was secured. Research hypotheses were tested through structural equation modeling. The findings of empirical research among variables of this research are as follows. First, it was found that transformational leadership has positive effect on core self-evaluation while transactional leadership does not have effect on core self-evaluation. Accordingly it seems that in the effect on core self-evaluation, transformational leadership is better than transactional leadership. Second, it was found that core self-evaluation has positive effect on job performance. It means that the more confident one is of one's success and the stronger one has belief that one will succeed if one make efforts with goals, the higher one will achieve job performance. Third, it was found that both transformational and transactional leaderships have positive effects on job performance. It means that the more leaders put importance to morality in decision-making and instill important values and beliefs and emphasize sense of responsibility to his or her subordinates, the higher job performance of those subordinates get. In the extent in which leadership affects job performance, transformational leadership is stronger than transactional leadership.

**Key words:** Transactional leadership, transformational leadership, core self-evaluation, job performance, flight attendants, emphasize

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### INTRODUCTION

Core competency of a firm can be evaluated by various elements. Among them, leadership is evaluated as the essence of core competency and the awareness that leadership is important is spreading across the society. Leader plays the role of driving force leading an organization and how a leader lead an organization makes big difference in the atmosphere of an organization and organizational performance. Leader plays crucial role in leading organizational members to respond properly to the given environment and achieve the organizational goals, maximizing the management performance of the firm. Currently in Korea, there are two full service carriers Korean Airlines and Asiana Airlines and six low cost carriers -Jeju Air, Jin Air, Air Busan, T-Way, Easter Jet and Air Seoul. In this year, six more low cost carriers are either have finished incorporation process or are preparing for it. Among them, Hanhwa group, one of the Korean major companies, invests in K Air, straining the airline industry (Anonymous, 2017). With many low cost carriers entering the market, customers enjoy a wider range in choosing an airline. But, airlines are forced to compete fiercely with each other to attract customers.

Flight service has a structure where the whole service system consists of a series of process from reservation, ticketing, check-in, boarding, cabin service and baggage service, etc. Among them, in the case of cabin service provided by flight attendants, production and consumption of service are made simultaneously in a limited space. As the image of an airline tends to be determined by flight attendants who face customers, the role of cabin crew is very important. Management of cabin crew varies in different airlines, depending on the situations of each airline. But what is common in the management of them is that they are managed as a team for every flight and that each team is run around the leader called manager. Thus as cabin service can vary depending on the capacities and types of the leaders, the role of leader is important (Min and Ko, 2016).

There have been various researches to find out effective leadership. The most frequently discussed leadership styles are transactional leadership and transformational leadership. Transactional leadership is designed to effectively achieve exchange between the result's of leaders wants and compensation of team member's wants (Min and Ko, 2016). What emerged pointing out problems of transactional leadership is

transformational leadership (Bass, 1985; Burns, 1978). This type of leadership inspires members to go beyond personal interests or affects members excellently (Robbins and Decenzo, 2005). Thus, leaders can raise common people up to superb level and lead them to achieve performance with behavioral level exceeding expectation (Keller, 1992).

Meanwhile, rapidly changing business environment in modern age demands members of companies to carry out more research than before and achieve high performance. While such a working environment can serve as a new challenge it can also cause them to have complaints about the organization, negatively affecting research performance, if they are unable to respond effectively to changed situations (Judge *et al.*, 2005). To respond to rapidly changing environment, companies promote various changes. Reflecting on failure in the organization level, companies begin to recognize that they should consider characteristics of organizational members (Vokola *et al.*, 2004). Related with personal characteristics, the concept of core self-evaluation has recently attracted attention. Core self-evaluation as an important variable which directly and indirectly affects attitudes, performance and life satisfaction of members of an organization (Judge *et al.*, 2005) is evaluated as a new concept to analyze personality which affects research place attitudes and actions of members (Boyar and Mosley, 2007). Those who are high in core self-evaluation are high in affection on themselves, capable in performing their jobs and positively evaluate the environment they are put by Judge *et al.* (2003). Thus, it is an important variable affecting research performance.

Core self-evaluation was first introduced as personality elements affecting job satisfaction. It was suggested as a comprehensive principle to understand the origin of job satisfaction in eight fields such as philosophy, clinical psychology research, clinical psychology practices, job satisfaction research, stress research, child development theory, personality theory and social psychology (Judge *et al.*, 1997; Bono and Judge, 2003). As core self-evaluation is based on various fields its conceptual scope is wider than the existing concept of personality. Core self-evaluation is emotional condition where one subconsciously evaluates oneself, others and real world (Judge *et al.*, 1997). It consists of 4 elements, self-esteem, locus of control, neuroticism and generalized self-efficacy (Bono and Judge, 2003). Among those four elements, self-esteem, locus of control and neuroticism (or emotional stability), the most widely studied in psychology is self-esteem, locus of control and emotional stability (Judge and Bono, 2001). Individuals high in core self-evaluation are positive and confident,

respond well to changing environment (Judge *et al.*, 1999). Core self-evaluation helps members to motivate and to set up goals and lead them to respond actively to changes of organizational environment (Erez and Judge, 2001). In addition, core self-evaluation which is personality characteristics of individuals is evaluated as an important factor in predicting job satisfaction, organizational commitment and job performance (Erez and Judge, 2001; Judge and Bono, 2000; Judge *et al.*, 1998).

As discussed before, there have not been many researches on the relationship between leadership and core self-evaluation which should be studied seriously along with goal attainment of a company. There was a study on the relationship between transformational leadership and core self-evaluation using workers of S Corporation and its subsidiaries. It was found that all the three sub-concepts of leadership-charisma, individual consideration and intellectual stimulus-have positive (+) effects on core self-evaluation, suggesting that to enhance organizational commitment it is necessary to build organizational environment where leaders understand and respect personal characteristics of members (Yang and Choi, 2011). Based on previous researches, this study set up the following hypotheses on the relationship among leadership, core self-evaluation and job performance.

- H<sub>1</sub>: leadership will have positive (+) effect on core self-evaluation
- H<sub>2</sub>: core self-evaluation will have positive (+) effect on job performance
- H<sub>3</sub>: leadership will have positive (+) effect on job performance

Only if airlines provide customers with high-quality service, they can secure competitive edge. There have been various researches on leadership in the context of human resource management. But, there have not been sufficient researches on the relationship between leadership and core self-evaluation which is theory of personality characteristics. Accordingly, this study intends to examine the effect of leadership types of cabin managers on core self-evaluation and job performance. Through the analysis, this study intends to search for theoretical and practical implications on effective leadership type and human resource management. In addition by conducting empirical research on core self evaluation and related variables in the context of flight service, this study wants to compare the findings with those of previous researches.

**MATERIALS AND METHODS**

**Data collection and analysis**

**Data collection:** This study intended to examine the effect of leadership on core self-evaluation and job performance set up the research model based on theoretical discussions. Survey was done from February 10-28, 2017 using cabin crew of airlines in Korea. The sample was selected by convenience sampling. 300 copies of the questionnaire were distributed and 270 copies were retrieved. Excluding 11 copies which were not filled out sincerely and 41 copies which were answered by managers or above, 218 copies were used in analysis. Frequency analysis of the data was done using SPSS 21.0 and AMOS 22.0. Then, through confirmatory factor analysis, the validity of the model was secured. Research hypotheses were tested through structural equation modeling.

**RESULTS AND DISCUSSION**

**General characteristics of survey respondents:**

Demographic characteristics are shown in Table 1. In gender distribution, the proportion of females (86.2%) was much higher than that of males (13.8%). In age distribution, the proportion of those in their 20 sec (47.7%) was similar to that of those in their 30 sec (52.3%). To fulfill the aim of this research those who are managers and above were excluded from the survey. Thus, there was no respondent who is in 40 sec or above. Distribution in education levels was as follows, technical college

graduates (8.3%), university graduates (82.6%) and graduate school graduates (9.2%). Most of them were found to be university graduates. In position ranks, the ratio of cabin crew was 85.8% and that of vice managers was 14.2% and there was none in the manager rank and above.

**Reliability and validity tests of measurement tools:** To select measurement items and elaborate them, this study analyzed construct reliability of each of the items using AMOS 22.0. Generally, if construct reliability of a measurement item is over 0.7 it is considered to be high enough (Hair, 1988). All the factors used in this study were over 0.9, proving that all the items are highly reliable. The construct reliability values of measurement items are shown in Table 2.

Table 1: General characteristics

Distinction	Frequency	Percentage
<b>Gender</b>		
Female	188	86.2
Male	30	13.8
<b>Age</b>		
20-29	104	47.7
30 and above	114	52.3
<b>Marital status</b>		
Single	137	62.8
Married	81	37.2
<b>Education</b>		
2 years college graduates	18	8.3
University graduates	180	82.6
Graduate school graduates	20	9.2
<b>Position</b>		
Flight attendant	187	85.8
Assistant manager	31	14.2
<b>Total</b>	<b>218</b>	<b>100.0</b>

Table 2: Confirmatory Factor Analysis (CFA) for the measurement model

Factor	Measurement category	Std. factor loading	t-values	SMC
Transactional leadership	My boss recognizes to me important values and beliefs in doing work	0.788	-	0.834
	My boss emphasizes responsibility when doing work	0.740	11.903**	0.779
	My boss places importance on morality in making decisions	0.811	12.302**	0.512
	My boss confirms that the worker is doing the job properly	0.789	12.008**	0.771
Transformational leadership	My boss compensates the results when we work as planned	0.770	-	0.615
	My boss knows what I want	0.612	14.555**	0.788
	My boss does not change the existing way of doing business	0.745	14.221**	0.601
	My boss allows the subordinate to perform the work according to the prescribed business rules	0.801	12.607**	0.608
Core self-evaluation	I am confident that I will succeed in the future	0.865	-	0.678
	When I try, I generally succeed	0.669	13.003**	0.889
	Sometimes, when I fail I feel worthless. (reverse-scored)	0.705	14.132**	0.811
	I complete tasks successfully	0.611	11.908**	0.803
	Sometimes, I do not feel in control of my work. (reverse-scored)	0.609	16.668**	0.702
	Overall, I am satisfied with myself	0.780	12.224**	0.777
	I determine what will happen in my life	0.721	11.567**	0.791
	I do not feel in control of my success in my career. (reverse-scored)	0.729	16.347**	0.690
	I am capable of coping with most of my problems	0.683	14.278**	0.545
	I am sometimes depressed.(reverse-scored)	0.833	14.770**	0.654
	I think I do not have the competency.(reverse-scored)	0.806	18.458**	0.678
Job performance	I interact with the customer better than other employees	0.705	17.923**	0.558
	I know what my customer wants	0.775	16.002**	0.872
	I am currently doing my job well	0.689	12.138**	0.811
	I have a better job performance than other employees	0.778	-	0.754

$\chi^2 = 375.215$  (df = 127, p = 0.000),  $\chi^2/df = 2.954$ , RMR = 0.022, GFI = 0.901, AGFI = 0.879, NFI = 0.923, IFI = 0.917, CFI = 0.929, \*\*p<0.01; AVE: Transactional leadership 0.547, Transformational leadership 0.714, Core self-evaluation 0.703; Job performance 0.771; Construct reliability: Transactional leadership 0.807, Transformational leadership 0.903, Core self-evaluation 0.813; Job performance 0.811

Next to test validities of measurement items, this study performed confirmatory factor analysis. When the standards of goodness of fit are applied strictly, RMR should be 0.05 or below, GFI, NFI and CFI should be 0.9 or over and AGFI should be 0.8 or over (Bagozzi and Yi, 1988). The goodness of fit index suggested in Table 2 shows fit index after excluding items obstructing validity. The items that are deleted as the item of validity inhibition is ‘Sometimes, everything seems dark and hopeless (reverse-scored)’ in core self-evaluation category.

The model fit indexes were identified as  $\chi^2/df = 2.954$ ,  $\chi^2 = 375.215$  (df = 127, p = 0.000), RMR = 0.022, GFI = 0.901, AGFI = 0.879, NFI = 0.923, IFI = 0.917, CFI = 0.929. In general for Squared Multiple Correlation (SMC) value, 0.5 or over is recommended. The items which did not satisfy this requirement were eradicated after convergent validity is tested. Standardized loadings which connect measurement items and related factors are all 0.5 or over. And, AVE (Average Variance Extracted) which measures the amount research units explain variance was also over 0.5. The t values were all larger than  $\pm 1.96$ , criterion for acceptance. Thus, convergent validity of measurement items were confirmed (Fornell and Larcker, 1981).

Discriminant validity requires that there should be low correlation between measurements of different concepts. To secure discriminant validity, this study used AVE (average variance extracted) which measures whether shared variance between observed variables which are supposed to measure latent variables is bigger than shared variance between other latent variables. Accordingly to analyze discriminant validity of the measurement model, this study compared AVE values and correlation coefficients of research units. If AVE value between two factors is bigger than coefficient of determination that is square of correlation coefficient of each factor, discriminant validity between two factors can be secured. So, discriminant validity in this study was secured as shown in Table 3 (Fornell and Larcker, 1981). In short, various analyses described up to now prove reliability, convergent validity and discriminant validity of the research model.

**Goodness of fit of the model and test of hypotheses:** To test mutual influence of variables suggested in the model, this study used the structural equation modeling which is useful to test and evaluate mutual relationships among constructs through covariance structure analysis. The analysis of structural equation modeling resulted in the model of  $\chi^2 = 384.189$  (p = 0.000), GFI = 0.907, AGFI = 0.883, NFI = 0.903, RMR = 0.022. When compared with indices used for general evaluation, this value is satisfactory. Thus, it is proper. Goodness of fit value for structural equation modeling is shown in Table 4.

Table 3: Correlation matrix

Parameters	A	B	C	D
Transactional leadership: A	0.739			
Transformational leadership: B	0.402**	0.844		
Core self-evaluation: C	0.285**	0.598**	0.838	
Job performance: D	0.390**	0.520**	0.479**	0.878

\*\* All correlations are significant at p<0.01 (2-tailed), diagonal value: square root AVE

Table 4: Structure model path analysis

H	Path	Estimate	SE	CR	p-value
1-1	TAL-->CSE	-0.221	0.064	0.016	0.370
1-2	TFL-->CSE	0.284	0.009	2.113**	0.003
2	CSE-->JP	0.477	0.038	3.774**	0.000
3-1	TAL-->JP	0.294	0.029	3.284**	0.000
3-2	TFL-->JP	0.372	0.011	2.890**	0.000

\*\* = t-statistic ( $\geq 1.96$ ) sig. level of p<0.05

Specifically, hypothesis 1 which assume that leadership will have positive (+) effect on core self evaluation is partly accepted. First among sub hypotheses, hypothesis 1-1 that transactional leadership will have significant positive (+) effect on core self evaluation was not adopted because its path coefficient is -0.221 (t = 0.016). The t value is not in the significant level ( $t \geq \pm 1.96$ ). Hypothesis 1-2 assumes that transformational leadership will have positive (+) effect on core self-evaluation. It was adopted because its path coefficient is 0.284 (t = 2.113). The t-value is in the significant level ( $t \geq \pm 1.96$ ). Second, hypothesis 2 assumes that core self-evaluation will have positive (+) effect on job performance. Its path coefficient is 0.477 (t = 3.774). The t-value is in the significant level ( $t \geq \pm 1.96$ ), so, it was adopted. Lastly, all the sub-hypotheses of hypothesis 3 which assume that leadership will have positive (+) effect on job performance are accepted. Among sub hypotheses, hypothesis 3-1 that transactional leadership will have positive (+) effect on job performance was adopted because its path coefficient is 0.294 (t = 3.284). The t-value is in the significant level ( $t \geq \pm 1.96$ ). Hypothesis 3-2 assumes that transformational leadership will have positive (+) effect on job performance. It was adopted because its path coefficient is 0.011 (t = 2.890). The t-value is in the significant level ( $t \geq \pm 1.96$ ). Test results of research hypotheses are like Table 4.

**CONCLUSION**

Existing researches on core self-evaluation, despite various approaches, lack systematic examination on its relationship with leadership. Therefore to overcome such a limit, this study tested the effect of leadership on core self-evaluation and organizational performance. Accordingly, based on findings of this research it is necessary to complement and enlarge the theory of core self-evaluation. The findings of empirical research among variables of this research are as follows.

First it was found that transformational leadership has positive effect on core self-evaluation while transactional leadership does not have effect on core self-evaluation. Accordingly, it seems that in the effect on core self-evaluation, transformational leadership is better than transactional leadership. That means that it is better for leader to instill important values, beliefs and sense of responsibility to workers than to pay compensation and rewards to them. Airlines give systematic and continuous educations to workers such as education for new employees, reeducation and education per class, etc. In such educations it is necessary to include leadership education. In particular in education for cabin team leaders and top seniors it is necessary to educate cabin managers leading the team in every flight the importance of transformational leadership. In addition it is necessary to find out various ways to cultivate transformational leadership.

Second, it was found that core self-evaluation has positive effect on job performance. It means that the more confident one is of one's success and the stronger one has belief that one will succeed if one make efforts with goals, the higher one will achieve job performance. In addition, the more clearly one perceives that one can overcome most of problems one faces and that one can accomplish given duties, the better service one can give to customers. Consequently it seems necessary that, in the recruiting process, Airlines adopt items to evaluate personalities and characters of applicants and measure their self-esteem, locus of control and emotional stability and use them as important sources in hiring them. In addition, those companies need to give personality and character evaluation periodically, evaluate the findings and seek ways to enhance core self-evaluation. It is necessary to encourage flight attendants to positively evaluate themselves, feel confident of them and control their lives.

Third it was found that both transformational and transactional leaderships have significant positive effects on job performance. It means that the more leaders put importance to morality in decision-making and instill important values and beliefs and emphasize sense of responsibility to his or her subordinates, the higher job performance of those subordinates get. In addition when leader does what is required to do well and subordinates work following research rules, job performance gets better. In the extent in which leadership affects job performance, transformational leadership is stronger than transactional leadership. Accordingly, we can recognize that transformational leadership is more useful to cabin manager than transactional leadership.

Ever, since, the core self-evaluation theory was first introduced in applied psychology it has been reported that it has positive effects on attitudes of members and their job performance due to various variables. While existing researches on core self-evaluation have dealt with attitudes of members, job performance and innovative behavior, they have not sufficiently dealt with the relationship between leadership and organizational performance.

## **RECOMMENDATIONS**

Core self-evaluation is the concept that if one positively evaluates oneself, other people and surroundings it has positive effects on job performance. In other words, those who are high in core self-evaluation tend to be more committed to organizational goals and match oneself and goals of the organization and team. In this limitless competition, airlines can survive when they satisfy various and high-quality demands of their customers. Thus, core self-evaluation of members is important than any others. So, it is personal characteristics we should focus on in human resource management. There have been few researches on core self-evaluation in the fields of manufacturing, government administration and hotel business. This research applied core self-evaluation to flight service. In cabin service which is given in a limited space, transformational leadership is important. Thus, it is necessary to explore the ways to improve it. This research was done only using employees in full service carriers as research objects. In the future research it seems necessary to do research on leadership and core self-evaluation to low cost carriers. Low cost carriers provide different cabin service to passengers, compared with the case of full service carriers. It seems meaningful to do research on what types of leadership are effective in enhancing core self-evaluation and job performance.

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