

# Managing cultural diversity



The hospitality and tourism industry has become the fastest growing and diversified commerce internationally. It does not only focus on the workforce and the service but also the customers. The industry embraces different sectors, such as hotels, airlines, travel agencies, and restaurants which play an important role in a country's economic development. It can sustain an economy in such a way that it creates jobs for locals, generates revenue through taxes paid by foreign and even local visitors, promotes cultural development, and improves a country's general infrastructure.

Recreation activities, such as travelling, have become a significant factor in everyone's lives nowadays. The presence of travel agencies and the improvements in hotels and airlines have made domestic and overseas trips to everyone easy and readily available. Anyone can travel to a country without having to think of the stressful pre-departure activities. The tourism industry had a sudden escalation in the past years and grew to become one of the most valued industries. Countries around the world invest in tourism industry to be the hold of their economy.

On the other hand, the hospitality industry covers entertainment sectors, such as nightclubs, bars, restaurants, and fast foods, and accommodation which take the form of resorts, camping ground, motels, hostels, serviced apartments, public houses, inns, and hotels. These are an aspect of human activity that contributes to the social growth of people as well as meeting some physiological needs of shelter and body comforts (Botherton 2003).

Though the hospitality industry highly contributes to a country's economic growth, the hospitality industry still suffers from economic fluctuations.

However, the food business still remains to be a key player in stabilizing the whole industry.

The United Kingdom, having suffered from economic setbacks, that includes its hospitality and tourism industry, looks forward to what the industry can attain during the Royal Wedding and the Olympics that are seen to be strong players for economic growth especially in the industry (Web 1).

In London alone, it entertained a total of 15.2 million foreign visitors in 2006, an increase of 9.4% from the 13.7 million 2005 record of visitors who came to London (Web 2). Europe remains to be the most welcoming place for tourists worldwide. The hospitality and tourism industry in Europe, especially in London, manages to sustain the place's economy.

Thus, the call for competent and effective managers and leaders for the industry has now been increasing, and the competition among management candidates is escalating. Having an efficient style of management is a must in the hospitality and tourism industry. The diversity, especially cultural, among staff and guests in this commerce demands skilled and adept leaders and managers to efficiently manage the issues of cultural diversity.

In this project, the researcher aims to critically evaluate the different management, motivation, and leadership theories underlining the ones being practiced by multicultural organizations in the hospitality and tourism industry, to critically investigate the theories relating to managing cultural diversity, and to compare and contrast the styles of leadership and appropriate motivation techniques of big and small time organizations across different cultures in order to determine management styles and strategies

being utilized by big companies that can be taken into advantage by small and medium organizations.

The author will conduct the study at Sir Alfred Hitchcock Hotel. The hotel is one of the oldest hotels, dating back in the 1900's, in the borough of Waltham Forest London (The Hotel's Company Handbook). It is beautifully located in the conservation area of Epping Forest in Leytonstone. The hotel is named after the renowned British film director and producer who was born in the said area. The hotel was known to have been one of the best that offer services for a three-star hotel. However, the continuous changes in the management in the past years made the hotel to be an unwelcoming place for tourists to stay in the area of Waltham Forest. Nonetheless, the hospitality practiced by the hotel has become legendary as they carry the theme of Sir Alfred Hitchcock.

Currently, the new management of the hotel has been carrying out improvements targeting its physical attributes and the style of management. The new management is trying to revive the high quality of hospitality the hotel has been offering to its customers through the past decades.

## **RESEARCH DESIGN**

This study is a qualitative research that attempts to discover the best leadership and management style utilized by organizations in the hospitality and tourism industry. It intends to accrue existing data governing the principles of leadership and management across cultures.

The researcher will utilize the inductive approach of research, and to acquire the needed information from hotels, an interview with a hotel manager will be carried out.

## **II**

### **CULTURAL DIVERSITY**

Cultural diversity has been a big concern for different organizations as diversity in the management perspective affects everything in an organization. The influence of diversity goes through the organizational structure, the employee's behavior, the individuality and prejudices among members of the staff, the employees' personal relationships, and the individuals' culture and practices at work and while in the society.

According to Baumueller (2007), “ diversity in the context of multicultural management is defined as a characteristic of groups of two or more people in terms of demographic attributes, such as age, gender, marital status, ethnicity, nationality, education, functional area, or organizational tenure which identifies individuals' position within society at large as well as within organizations in particular.”

Discrimination in age, gender, and color is a long standing issue as it already became a cliché to different communities, and many ways have been made to resolve it, such as amending and formulating laws. Various organizations around the world have tried to get rid of discrimination through awareness campaign and a lot of programs have been formulated to develop good interrelationship between various cultures.

Consequently, multinational organizations, such as successful and big time hotels, airlines, and even food chains, benefit from these programs through their attempts of surpassing effective management of a multicultural organization.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) affirms that “ culture, in its rich diversity, has intrinsic value for development as well as social cohesion and peace”. This matter was discussed during the Seven Culture Conventions of UNESCO, which gives a sturdy foundation for the campaign of cultural diversity awareness. Therefore, cultural diversity is a key player that is essential for poverty diminution and the attainment of sustainable development (Web 3).

Cultural diversity is perceived as a driving force of development, not only in regards to a country’s economic growth, but also a vital way to achieving a quality way of life.

Developing countries around the world consider it a mean to making them economically stronger and thus, making them capable of competing in the global market. Furthermore, cultural diversity gradually influences management performance and style of managers and leaders not only in the hospitality and tourism industry but in all trade and commerce at large.

### **MULTICULTURALISM: Managing Cultural Diversity**

Pearn Kandola, a business psychology consultancy offering services to Human Resources Management, argues that managing cultural diversity is not about being politically correct or a matter of tolerance, but the

manager/leader must first value cultural differences. Cultural Diversity is to be regarded as a matter of inclusion and not exclusion (Web 4).

Managers/leaders should suppose that the employees from different cultures are multi-skilled and can work across cross-cultural boundaries. This factor is to be taken as the great advantage of an organization. A lot of multinational and local organizations regard cultural diversity as an inconvenience to their organization; however, a great deal of recent studies has proved that it is a means to attaining success. In this regard, institutions within the hospitality and tourism industry perceive that cultural diversity is the key to thriving the booming leadership and management across cultures.

Nonetheless, to become a successful inclusive organization, one must recognize the factors that bring about real change, those are policies, strategy, and operational levels. These aspects must be flexible as to be suitable for a multicultural organization and that it expands to all the employees of the company, who are from different race, age, and gender.

After fully understanding the advantages of cultural diversity and becoming an inclusive organization, Pearn Kandola argues that one can enjoy the rewards it can bring namely the following: (1) reduced staff turnover and absenteeism, (2) increase job satisfactions and productivity, and (3) enhanced profile in the market place.

According to Cox and Balke, multiculturalism is directly linked to organizational success as effectively managed multicultural companies have cost effective edge, multiculturalism helps in promoting minority friendly reputations among prospective employees, diverse cultural corporations help

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get better various customers, and diverse group of employees are perceived to be more creative and efficient in problem solving as compared to a homogenous group. The ability of the leaders/managers to manage cultural diversity increases adaptability and flexibility of an organization to environmental changes (Web 5).

On the other hand, it is a predisposition for countless managers/leaders to first understand the dos and don'ts of working in a country or the do's and don'ts when dealing with people of different races. This approach has been regarded as an awful way to achieve inclusion as it has become a stereotypical approach to understand cultural diversity. Leaders/Managers who desire to deviate from this approach try to skill their people to understand their personal cultural values, to appreciate how cultural ethics differ around the world, and how the people's style are flexible enough towards the different styles and approaches of management to accomplish the best results. These leaders/managers often become the achievers in this aspect.

In spite of this, achieving that certain level of success is not easy and simple for these managers/leaders. They often find it challenging to engage and influence their people towards achieving the goals without having conflicts between and among the employees of various cultural backgrounds.

Moreover, the campaign to raising awareness on cultural diversity across the organization primarily relies on the leadership of the organization and the vision and mission, which after completed improves the policies and procedures of the company, and the employees' perceptions of each other and the organization. Thereafter, moving from raising awareness to introducing behavioral change is a great stride forward in the integration of



diversity in the organizational culture. Through the achievement of the following factors, the organization leads its way to developing a positive diversity climate.

### **MANAGING CULTURAL DIVERSITY IN THE HOSPITALITY AND TOURISM INDUSTRY**

Managing a culturally diverse organization is the greatest challenge for the managers and leaders particularly in the hospitality and tourism industry. A hospitality and tourism manager has to resolve issues of communication, language barrier, cultural differences, and discrimination, which comes in many forms, such as age, gender, and color. The diversity in this industry does not only focus on the multicultural staff but also to the various clientele, services, and places of commerce. The people in the organization matter the most when managing cultural diversity.

Accordingly, the hospitality and tourism industry, with its culturally diverse organizational structure, takes advantage of cultural diversity as the industry prospers to be the most progressive and forward-looking commerce while it promotes intercultural affairs between people of various races and places. Thus, management in the industry demands for a more diplomatic and strong supervision strategies and methods, given the concerns on discrimination.

Management covers four basic functions which are planning, organizing, leading, and controlling (Singh, 2004). These, which are very much essential to the practice of management in the hospitality and tourism industry, have been constantly adhered to by managers and leaders of the said trade. A hospitality and tourism manager needs to meet certain qualifications, such

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as possessing the technical knowledge, leadership, being company-oriented, and management knowledge, but to be a desirable manager for the industry, one must have the certain attitude to deal with and stand out in a multicultural work environment. It is important for a leader/manager to bear in mind that cultural influences play a great part in the way people at work behave.

On the other hand, good leadership must also be looked upon by organizations, especially the ones entitled to such positions. Leadership is not only about the leader but also its followers. The interrelationship between the two parties illustrates the kind of leader and members the team has, whether they make up a successful group or not. In this case, however, the leader plays the vital role in managing the team and giving them proper motivation towards the achievement of their objectives.

Northouse (2010) points out that “ leadership is a process whereby an individual influences a group of individuals to achieve a common goal.” Good leadership is the most significant factor to reaching the goals of an organization.

Maintaining a good management in the hospitality and tourism industry entails competent and efficient leaders or managers. Hence, the demand for excellent leadership is a requirement for an organization in order to thrive and become stable in the complex and evolving industry of hospitality and tourism. Excellent managers/leaders must be able to fit their style according to the essentials of the present circumstances.

The naturalistic theories of leadership (Punnett 2009), which comprises of trait and great man theories, argues that the leadership potential of a person is dependent on the trait, may it be physical or psychological, and/or the capacity of leading is inherited.

Contingency theory of leadership (Punnett 2009) the fact that there is one best approach, and that the most suited leadership approach depends on the situation and the personality of the leader and the followers. Additionally, the situational theory (Northouse 2010) emphasizes that leaders need to find out the needs of their subordinates and then become accustomed to that style of leadership for that reason.

The behavioral theory of leadership (Schyns et al. 2005) argues that leaders are made, not born, and that a leader can be molded through proper training having the right behavior or characteristics and through creating behavioral norms.

Participative theory of leadership, otherwise known as the democratic style of leadership is presently the most commonly-used leadership style.

Participative leadership (Grint 1997) acknowledges the reality that employees have a great part in decision-making and that they have equal participation and access to the basic democratic processes and principles.

Disparate from being egalitarian, the autocratic style of leadership (Punnett 2009) believes that the leader has the grasp over the employees and that the leader makes all decisions. This leadership style aims to reach the organization's objective by directing its people. An autocratic leader always, if not often, gives all the details of how and when things are to be done.

Other theories of leadership include the transactional and transformational leadership styles. Transactional leadership (Lussier, et al. 2010) deems that the leader and the employees develop a working relationship when the leader hands over the work to his/her subordinates and gives his/her praises, rewards, or punishment when the work is done. Conversely, Bernard Bass (Winkler 2010) contends that a leader has to be transformational through the way he/she motivates and affects his/her people. Bass describes a transformational leader as someone who gets the team focused towards the organization's goal by making them aware of their importance and stimulating their higher-order needs.

The Sir Alfred Hitchcock Hotel (the hotel) does not employ the naturalistic theories of leadership as the subject's management believes that leaders should not only have the traits but also the skills of leading their people.

The manager agrees that leaders of the hospitality and tourism industry need to have the appropriate trainings and the right attitude to lead their people. He states that the management of the hotel seeks for the suitable leader/s that has/have the proper technical skills to be part of their management.

The manager believes that his management exercises the contingency and situational styles of leadership. The way he leads his subordinates is dependent on the circumstances of their work and operations. Furthermore, it is his habit to find out how his people want to be supervised. Yet, he feels that he is becoming lenient towards his subordinates.

However, the manager discloses that he frequently practice democracy at work, but he also becomes autocratic on some situations, such as deciding on the salary, work shifts, punishments, and other operational matters. Nevertheless, he contends that he wants to be a transformational leader towards his people.

The naturalistic leadership styles are most commonly used in the fields of politics and military because of the assumptions that the traits of a good leader can be inherited, thus, the emergence of aristocratic families, dynasties, and military lineages. In contrast, the hospitality and tourism industry requires leaders to have the appropriate skills and the right attitude; hence, these theories of leadership are not appropriate in the industry.

### **COMMUNICATION: A BARRIER TO ACHIEVING A SUCCESSFUL MULTICULTURAL ORGANIZATION**

Attaining a successful culturally diverse organization is not at all easy as it entails a lot of skills and understanding of cultural diversity management in organizations. There are a lot of barriers which include communication, language barrier, cultural differences, and discrimination, but communication tops the list being one of most common problems faced by every organization, not just in the hospitality and tourism industry but also in the other industries.

Communication (Beardwell et al. 2001) is “ a complex series of processes operating at all levels in an organization.” Having a good communication in a multicultural organization is the utmost problem a manager/leader has to overcome. Miscommunication often leads to losing some of the best employees at work or ruining the good structure of the organization.

The most common problem in communication is when the receiver of the message does not get the intended meaning of the sender. This often leads to miscommunication and thus can create a gap between the two parties.

The wrong use of language brings about the lack of understanding.

According to Michael Armstrong (1984), there are four communication problems that organizations repeatedly commit. These are the following namely: (1) people are not aware of the need to communicate; (2) people do not know what to communicate; (3) people do not know how to communicate; and (4) proper facilities to communicating are not available.

The manager of the hotel acknowledges that miscommunication between him and the employees was frequent when he started the job. However, as time passes by, he got used to the different styles of communicating with his staff. Yet, he desired for improvements, so he put up some communicating strategies. He advocated training programs common and the establishment of communication channels for the exchange of information, opinions, and proposals that can bridge problems in communication.

Richard Pettinger (2001) states that the simpler the language that is being used, the greater will be the chance of understanding between the sender and receiver. “ Good communication leads to effective relations and enhance the general quality of working life, motivation and output.”

## **MOTIVATION AND EMPLOYEE INVOLVEMENT**

One of the most important tasks a manager has to accomplish is motivating the organization’s staff and facilitating employee involvement. A manager

has to fully understand what it takes to motivate people. People are motivated in various ways as they have different motivations.

A hospitality manager has to get his/her staff involved in all the undertakings of the organization. Facilitating employee involvement is the first step to motivating people. It is regarded that the employees are the “ buttress” of an organization and that the success or failure of the organization is dependent on them.

In the industry, it is a necessity that employees are always motivated to work. Service is the core product of the industry, and thus, highly motivated staff renders excellent service whilst unmotivated staff comes with substandard one.

The manager must keep in mind the right of the employees to achieve self-fulfillment which can later lead to self-actualization. As stated by Robert Oldcorn (1996), “ motivation is a highly complicated problem and there is no magic formula that can be applied to everyone.” Nowadays, a lot of people are reported to be jumping from one job to another, though not having been serving the company for a couple of years. This scenario is much common to the young workers who are a lot ideal.

Through the years, a lot of psychologists and theorists have wondered on the factors that motivate and unmotivated people. Many of them, such as Abraham Maslow and McClelland, have offered solutions by creating theories and principles; others after developing their theories came up with a combined theories of motivation and management. Nonetheless, some of

them have succeeded in providing explanation of the aspects that affect motivation among people at work and while in the society.

Abraham Maslow (King 2009), a famous psychologist of his time, discovers a simple and easily understandable set of needs which motivates all human beings.

Maslow's theory of motivation (Figure 1) has been used by a lot of managers through the years, but few of them are able to make their people achieve the highest need in the hierarchy. Basically, managers pursue for the fundamental needs by giving their staff competitive salary and other benefits. After making their people financially secure, managers then climb to the next ladder of making their staff feel safe and secure, and the next needs will then be acted upon by the employees until they achieve self-actualization.

Alternatively, David McClelland (Berk et al. 1993), developed his own theory of motivation (Figure 2) though it is similar to Maslow's theory of motivation as both believe that the need for survival and safety has to be satisfied first. However, McClelland emphasizes on the need for power, affiliation, and achievement.

McClelland believes that the need for power, affiliation, and achievement is present in employees, but in varying degrees. Employees want to accomplish their own goals, thus the need for achievement. The need for affiliation is essential because every member of the staff desires to be part of a group sharing similar interest. Lastly, the need for power implies that an employee needs to have influence on his/her colleagues and control over his/her work.



Psychological contact embodies mutuality. The hotel's manager recognizes that employees should be invested in as assets so that they can achieve their potential for the benefit of the organization. They should be approached individually rather than collectively.

A hospitality manager should get involved and pay attention to the nature of supervision and the working of group and teams and to find ways of involving employees through job design, motivation and a democratic, consultative or participative style of management.

Frederick Winslow Taylor (2008) developed the autocratic theory of management and motivation, famously known as the scientific management. In his theory, he put great emphasis on time and motion study.

Child (Beardwell et al. 2008) contends that “ scientific management by its recognition that people differed from other resources that if they were treated as clock numbers rather than as human beings, they would not be fully effective at work and could even fight back to the point of subverting management intentions.”

The Sir Alfred Hitchcock Hotel does not utilize this style of management as the manager believes that the employees do not want to be over supervised. The manager wants the employees, after having been taught of what they have to do, to have their freedom, even though it is diminutive, over their work.

Taylor's theory of management is mostly suitable for industrial units where quotas are being imposed. Yet, this theory has been using by renowned

companies even in the industry. The giant food chain McDonald's has established a routine work for its employees to follow (Web 6). The time and motion study of Taylor is well executed by this company. The food and beverage department of the hospitality industry and the ticket sales of the tourism industry can utilize this theory because of the customary nature of work.

Elton Mayo (Bagad 2008) conducted his famous Hawthorne experiment and found out that the increased in productivity by the workers was due to the attention the management had been giving them during the course of experiment. He concluded that workers working in a group develop a bond of relationships; behavior at workplace depends on the employee's mental state, emotions, and prejudices; human and liberal attitude of managers/leaders helps in improving the worker's performance; and managerial and technical skills are not necessary to be an accomplished manager/leader. Mayo recognizes that social relationships at work can be one of the greatest driving forces of motivation.

The hotel believes in this style of management. The hotel manager asserts that, through his observation, his subordinates are happy when they are talking with each other and sharing their experiences, may it be professional or personal. Furthermore, he says that the employees become more motivated to go to work. He often asks the employees how they feel about their work and solicits their suggestions for further improvements.

Frederick Herzberg (Davis et al. 2008) clearly illustrates on his Two Factor Theory (Figure 3), otherwise known as the Hygiene Theory, the factors that

affect employees' motivation to achieving job satisfaction. In his study, he called the satisfiers, such as responsibility, sense of achievement, challenge, and self-improvement, motivators and the dissatisfiers, such as pay, working conditions, pension funds, and fringe benefits, hygiene factors (maintenance factors).

Herzberg found out that factors causing job satisfaction were different from those that were causing job dissatisfaction. Thus, a hospitality manager must first satisfy his/her staff through aptly providing them the hygiene factors and then encouraging his/her staff to achieve more through the motivators.

The hotel manager firmly believes that the hygiene factors can also cause motivation on the employees when these factors are properly executed.

Though he admits that working in the hospitality and tourism industry does not offer high salary as compared to other industries, the rewards and other benefits of working in the industry and the nature of work still make a big difference to the employees' decisions of choosing to work in the industry.

The motivators, he says, are difficult to achieve as they require years of working in the commerce to attain them.

Douglas McGregor (Hoffman et al. 2011) was wholly influenced by the Hawthorne studies and of Maslow's hierarchy of needs. He argues that managers should give more concern on the social and self-actualizing needs of people at work. His Theory X and Y on management supposes that there are two kinds of managers who are the complete opposite of each other.

Theory X managers assumes that employees dislike work, lack ambitions, act irresponsibly, and prefer to be led. On the other hand, Theory Y

managers believe that employees are willing to work, want responsibility, and are self-directed and creative.

The manager of the hotel recognizes the fact that there are some managers who practices this theory in the hospitality and tourism industry. However, the manager believes that he falls under the Theory Y managers. He supposes that the members of his staff are hardworking people, have initiative, and practice resourcefulness at work.

Henri Fayol (Lucey 2005), known for his work on Functions and Principles of Management, asserts that the process of successful management involves the judgment and decision in determining plans and in using data to control performance and progress against plans, and the guidance and motivation of the personnel comprising the enterprise and carrying out its operations. Fayol's fourteen principles of management include all the positive and advantageous features of outstanding management.

The manager admits that the hotel management partly practices Fayol's principles of management. The manager has taken into account some of Fayol's principles and tried to apply the suitable ones to his ways of managing his people.

Fayol's theory on management appears to be the most ideal style of managing people, considering all the fourteen principles to be the beneficial factors to practicing good management. Accordingly, its ideal features make it appealing to managers; however, it is noted that some of these principles are being practiced as managers also look into the suitability of the principles into their operational circumstances.

### **III**

#### **CONCLUSION**

The researcher finds out that there is no one best leadership and management style that an organization can practice to achieve success while having a happy and highly motivated employees. The Sir Alfred Hitchcock Hotel employs the different styles of leadership a