

# Impact of culture on international hospitality business tourism essay



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With the changing environment and stepping into the new centuries made all industries to change itself, especially when it comes to hospitality industry. First of all, hospitality is a major and diverse industry around the world. And business in today's world is not a constant one which stands there in the market forever. It changes according to different causes like time, trend of the market, customer expectations and also includes culture. A fine definition of culture is, " Culture refers to the cumulative deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion, notions of time, roles, and possessions acquired by a group of people in the course of generations through individual and group striving." (Hofstede, 1997).

Culture plays a major role in any kind of business that exists in the market. Especially when it comes to the international hospitality business, culture is a serious fact to consider in order to survive in the market. Culture exists and differs from place to place and time to time. And some cultures already spread way beyond their boundaries and reached their new destinations. Cultures rage battles among themselves to survive. So the key factor in order to run a successful hospitality business or any kind of business is to understand the different cultures.

Culture acts different in different places. For example managing a culture in a work environment is different when looking at the customer's point of view. It is a tactful theory for managers to handle it in any kind of organizations. In today's world it is really hard to find a place where there is no existence of more than one culture. Today's world is mixed with different cultures which makes more difficult for the managers in order to handle the business. Let us  
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discuss in brief about international hospitality business before we look deep into the culture. Hospitality is a service industry which is very important for every nation in the world. A fine definition of international hospitality business is, “ When a domestic hospitality company establishes a new business in a foreign market, this company is said to be engaging in international business. International business is defined as a business transaction taking place between two or more companies from different countries. These transactions can be in trade, manufacturing, investments or services.” (Yu, 1999).

A very important fact is that the hospitality as well as the tourism industry is service industry, but they do differ from each other. Hospitality industry is more based on food, accommodation, communication and customer service where tourism industry is based on travel and destinations.

When it comes to the culture mix with the hospitality industry, it always ends in a disaster business if there is no proper management to take care of it.

Hospitality as a service industry is mainly focus on customers, where in this industry the customers are from different places which mean different cultures. First fact is that dealing with different kinds of customers from different cultural background is very difficult under one roof. The second fact is that establishing a new hospitality business in a new destination could be more difficult to handle. For example if a company from Japan establish its hotel in New York, the managers must understand the cultural trend of New York in order to run the business. They cannot implement all their Japanese knowledge and policies into the business immediately. They must

understand the people who live and travel there to have a successful  
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business. “ For international companies, research shows that often companies successful in their home countries have failed in foreign markets not because of technical incompetence but because of a lack of knowledge and understanding of a foreign market culture.” (Jia, 2010). That research proves that the culture could influence the business in many ways.

The third and major fact that influences the hospitality business lies nowhere but inside the business itself. It is the internal environment of the business which is its employees. In other term it is called as cross culture business environment. Due to the various immigration policies and searching for the right candidate for the right job made countries to hire foreign employees. This is one of the main causes which strengthened the cross culture environment. At the present market, almost all industries have cross culture environment.

Though it has lots of advantages like less pay, more hours and profit, it also has some disadvantages, especially for the managers. The following research shows us an idea of what is a major issue for managers when come to handle the cross coutuere environment. “ Factors associated with the task influence by how much the diverse group is more creative than the homogeneous single-culture group. Diverse groups outperform homogeneous groups on complex problem-solving tasks, but may be less successful in performing routine tasks. Diverse group need time to resolve difficulties of working together. In an experiment conducted over 17 weeks Watson et al. (1993) found that the both group performed equally but the diverse group performed better in finding the range of possible solutions.” (Mead, 2005).

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The research shows that even though the diverse group performed better than the homogeneous group, they take time to settle themselves as a team to perform to gather and consume lots of time to do that. But time is really an important matter for today's business. Everything runs in a way where even a day is too short for everything. This could be an issue for managers especially when it comes to the fast environment like hotels and restaurants. But the managers have to invest time on their employees to make a strong environment in his business. This led the managers to the simple management cycle which is shown below,

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(Vnette, 2008)

The first important fact is to hire the right candidate for the right job. Training is an important fact that could solve any kind of issues in the organization. Training strengthens the business environment and it results in a good outcome. If there is a powerful training process in a multicultural business environment, then the result would be more effective and positive for the business. That is the reason training process in the organization is considered as an important fact in each process of the business.

An other factor which influences the international hospitality business is the external factor. Changing trends, taste and the preference of the customers rule the market. And the technology is way beyond than the human expectation which helps the different cultures to spread around the world and find their new homes. This results in us living in a multicultural

environment. All these affects hospitality industry directly or indirectly. Being <https://assignbuster.com/impact-of-culture-on-international-hospitality-business-tourism-essay/>

as a service industry, it has to change according to the time and the situation in the market which is not easy as it seems in this competitive market.

At first to overcome the issues in the internal factors such as managing cross culture environment, business managers comes with the different kinds of model as a solution for this issue. One of the famous model used by the international managers is 'comparitive model'. "The model enable the user to make comparisions between different cultures and any one culture is described in relation to another culture or cultures." (Mead, 2005). This helps the managers to understand the different cultures and gives a basic idead of handling it. But if a cross cultural environment is properly managed and trained, then the resul will always be an successfull and profitable one.

All international hospitality industry involves in the matter of encountering their customers from different cultural backgrounds. So the issue for the managers is not just to manage the internal factors (employees) but also the external factors, i. e, the consumers. Managing customers is really important and really a hard task for managers as there are plenty of competitors in the market. And the customers are like a free bird in this socialist economy. "

The cultural background srongly influences the consumer behaviour, Ignorance of core cultural sensitive values often leads to erroneous belief resulting in unhappy customers and lost business." (Mohsin, 2006). This is a fine example. The Western culture people go for the time saving process in any kind of industry where Asians prefer high quality interpersonal relations. Even the view of the consumer about a product is differ from each cultures.

And ignorance of the cross culture will have a direct impact on the business  
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and leads to winding up specially for hospitality industry being as a service industry.

It is very important to note that both the internal and external factors of the hospitality industry are well connected. Employees work in a way with the consumers to run a smooth flow of business. The relationship between the employees and their actual customers is measurable which makes it easy for the managers to run a profitable business. The multicultural environment in the hospitality industry is a boon to the business, because the employees themselves will find a way to interact and communicate themselves to understand the needs of the foreign consumers. As the internal environment itself has different cultures which mean different ideas and solutions for the different problems which is a key way to a successful business.

At this 21st century, the hospitality industry like hotels, restaurants are worldwide. A research shows that there is an existence of 279 foreign hotels in a single state of China. (Okoroafo, 2010). This shows us the increasing level of international hospitality business worldwide. When a business extends beyond its territory, then there is a strong percentage that it will get mixed with the other cultures. A best example is opening a Japanese hotel in the heart of U. S. A. In this case, the Japanese company will bring their own management people who will be mixed with American candidates. This is called as a cross-cultural management. To run the business, Japanese managers must understand the culture of America at first and also other factors such as government policies and rules and regulations. Understanding culture is one of the important factors when it comes to the hospitality business.

Policies and regulations of the government may sometime affects hospitality industry. For example the immigration policies of goverment always have an impact on hospitality business. It has both positive and negative sides. The following graph shows the immigrations of U. S. A from the year of 1820-2010,

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The graph shows that the immigrants in the U. S alone has reached its peak level where they have never seen anything like this in their American immigration history. And this make America as a multicultural nation. Because Each Immigrants brings their own culture into the country. This happens not just in America, its worldwide now. This will slowly affect the hospitality industry as there is a slow change in the the culture of the country. Over croweded muticultural nations also have issues like racism and equality which affects not only the hospitality industry but all industries. So it is the duty of the managers to keep an eye on the Nations culture and update their business and the products according to the cultural change.

## **CONCLUSIN:**

As we are living in a changing cultural enviornment, we need to adapt ourselves in order to survive in this competitive world. And our business adapts with us in a matter of fact. Even though there are lots of cultural changes occurs in the soceity, Hospitality industry survived those impacts which were thrown by our different cultures. The key factor is the training which helps the managers to manage both the internal and exernal factors which influences the hospitality business. If an international hospitality



manager manages to give a proper training to his multicultural employees, then there is no doubt that the business will be successfull one. And it is also important to keep an eye on the muticultural future which is very near and crystal clear.