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Multiculturalism as a Challenge for Contemporary Leadership – an Analysis within the Context of Hotel Management in the 21st Century

ABSTRACT

Building a competitive advantage in the hotel industry today requires the kind of leadership that is open to multiculturalism of both customers and employees. The main goal of the article is to analyze the role and importance of multiculturalism in contemporary leadership and to define the responsibility of leaders in managing employees in a multicultural environment, in the context of 21st century hotel management. The authors prove that the challenges related to multiculturalism (of employees and clients) are very large, while leadership in the conditions of multiculturalism requires special qualities and skills of leaders. In the first part of the article, the authors explain the concept of multiculturalism and the importance of multiculturalism in managing human resources. The next part describes leadership in a multicultural environment. Then, solutions for managing people in modern hotels are presented. Next, the 21st century hotel is presented as a multicultural environment. The last part describes cultural diversity as a challenge for leadership in the context of the hotel industry.

KEYWORDS: multiculturalism, leadership, leader, Human Resource Management, hotels

STRESZCZENIE

Wielokulturowość jako wyzwanie dla współczesnego przywództwa – analiza zjawiska w kontekście zarządzania hotelami w XXI w.

Budowanie przewagi konkurencyjnej w branży hotelarskiej wymaga dziś przywództwa otwartego na wielokulturowość, zarówno klientów, jak i pracowników.

Głównym celem artykułu jest analiza roli i znaczenia wielokulturowości we współczesnym przywództwie oraz określenie odpowiedzialności liderów w zarządzaniu pracownikami w środowisku wielokulturowym, w kontekście zarządzania hotelem w XXI w. Autorzy artykułu udowadniają, że wyzwania związane z wielokulturowością (chodzi zarówno o pracowników, jak i klientów) są bardzo duże, a przywództwo w warunkach wielokulturowości wymaga szczególnych cech i umiejętności liderów.

W pierwszej części artykułu autorzy wyjaśniają pojęcie wielokulturowości oraz znaczenie wielokulturowości w zarządzaniu zasobami ludzkimi. W kolejnej części opisano przywództwo w środowisku wielokulturowym. Następnie przedstawiono rozwiązania w zarządzaniu ludźmi we współczesnych hotelach. Hotel został zaprezentowany w XXI w. jako środowisko wielokulturowe, mając na uwadze pracowników i klientów. W ostatniej części opisano różnorodność kulturową jako wyzwanie dla przywództwa w kontekście branży hotelarskiej.

SŁOWA KLUCZE: wielokulturowość, przywództwo, przywódca, zarządzanie zasobami ludzkimi, hotele

Introduction

Globalization, economic integration and a growing role of international cooperation are raising the significance of multicultural management, a relatively young branch of science, which emerged as a scientific discipline in the middle of the 20th century when cultural differences among employees of big international organizations were noticed for the first time (Hofstede, 1980; Hampden-Turner & Trompenaars, 1997; House, Hanges, Mansour, Dorfman, & Gupta, 2004). At present, cultural diversity is no longer perceived as a threat and a disintegrating factor but as a source of benefits necessary in the development of an organization, which justify its transformation from a monocultural to a multicultural one. More and more people realize that diversity increases the quality of human resources.

The effective management of a modern organization and relationships between employees, especially those working on multicultural teams, is achieved primarily through leadership. Therefore, the demand for effective leaders is increasing, as their role and importance in modern management continue to grow. Leaders are essential in many areas of...
human resource management, such as motivating, engaging, and inspiring employees, resolving conflict, and managing change. They are also responsible for building a vision for the organization’s future growth and achieving its strategic goals. Effective leaders, especially in a multicultural environment, have a significant impact on the effectiveness of employees as well as entire teams. They also have a significant impact on building good relationships with customers who come from different cultures.

Managing cross-cultural differences, as well as smooth functioning in the environment of cultural diversity of both employees and customers, are demands for today’s leaders. Understanding the cultural diversity of today’s business environment, especially in the hospitality industry, is the basis for building a competitive advantage, while effective adaptation to environmental changes, understanding the needs and expectations of employees and customers from different cultural backgrounds is a prerequisite for successful competition in the market.

**Multiculturalism – the concept and its meaning in human resource management**

The term “multiculturalism” gained prominence in the late 1960s, especially in Canada. In the United States, Australia or New Zealand, the issue of ethnic structure of the nation entered the public debate later. It was only then that the term was taken up in Europe (Knap-Stefaniuk & Sowa-Behtane, 2020).

Multiculturalism is defined as “a collection of diverse and interpenetrating cultures” (Jankowska-Mihulowicz, 2011, p. 61). Multiculturalism can also be explained as an ideology that recognizes, acknowledges, and accepts cultural differences (Arasaratnam, 2013; Wolsko, Park, & Judd, 2006).

Numerous organizations operate in various parts of the world. Their employees and customers are exposed to diverse national and regional cultures. In organization studies multiculturalism is treated as a set of diverse and mutually permeating cultures. It is “the representation, in one social system, of people with distinctly different group affiliations of cultural significance” or “a state in a group or organization whose members differ from one another in terms of sex, age, sexual orientation, race, profession, disability level, or nationality” (Cox, 1993). These differences can be divided into primary and secondary: the former include race, ethnic origin, sex, physical and cognitive characteristics, that features we are born with, while the latter include personal beliefs, marital status, work
experience, know-how, financial position, and education, that is features which refer to possessions and skills acquired by an individual during his lifespan (Seyman, 2006; Amaram, 2007).

Multiculturalism has become the focus of numerous studies. The role of cultural differences in the context of national cultures was described by Geert Hofstede, his son Gert Jan Hofstede, and Michael Minkow, who demonstrated the way in which national cultures influence and transform organizational culture (Hofstede, Hofstede, & Minkow, 2010). Fons Trompenaars and Charles Hampden-Turner identified seven dimensions of culture (Hampden-Turner & Trompenaars, 1997). Another classification of cultural dimensions related to organizations was developed on the basis of the GLOBE project results (Global Leadership and Organizational Behavior Effectiveness) headed by Robert J. House (House, Hanges, Mansour, Dorfman, & Gupta, 2004). This classification lists cultural differences which have an impact on management, and five of them are identical with their counterparts in G. Hofstede’s typology. Ronald Inglehart focused on social transformations triggered by economic and socio-cultural development. In his typology, such dimensions of culture as traditional and religious values are set in opposition to rational and lay values, while physical survival stays in opposition to the quality of life (Inglehart, 1997).

A modern leader should possess skills which enable him or her to knowingly develop a new strategy of an enterprise functioning (moving from a monocultural to multicultural form) and to change organizational concepts in the following areas: leadership, training, research, development, analysis and transformation of the systems of human resource management (Cox & Blake, 1991). The first step towards an organization’s transformation from monocultural to multicultural is to acknowledge employees’ right to individuality, which is one of the most important abilities of a mature leader (Gottfredson, 1992). Next, the process of shaping a multicultural organization must respect the principles of management: reflexivity, empathy, appreciation of diversity, mutual interests, compromise, continuous adaptation and acting quickly. These features lead to the so-called multicultural synergy, which denotes using the potential of numerous individuals coming from various cultures. Multicultural synergy is linked with cultural flexibility and cultural fluidity, both of which lead to a culturally fluid organization, characterized by the presence of cultural synergy, which is conductive to effective management of cultural diversity. It is worth mentioning here that flexibility a feature of a successful and mature leader (Peters, 2008).
Leadership in a multicultural environment

While considering the issue of leadership in a multicultural environment, it is worth answering the questions about the essence of leadership and its connections with management and administration.

First of all, leadership is not the same as management although they are inextricably linked. Management is primarily connected with administering one’s resources, both material and human, and an organization’s/project’s/enterprise’s success or failure rests on skillful managers. Leadership is basically not about competent performance of routine tasks but about making others aware of the aim and purpose of a given activity (Avery, 2009). B.R. Kuc (2012) argues that the concept of leadership is elusive and enigmatic. However, there is no doubt that leadership occurs when one tries to influence the behavior of others. It is a process of having impact on other people.

According to A. Pocztowski (2008), leadership is a process of influencing others in a way that induces them to voluntarily engage and contribute to the achievement of the organization’s goals.

The art of leadership, then, is based on the ability to see and realize common goals, to tap into the potential that lies within people, and to channel the talents, knowledge, and abilities of a team toward achieving planned goals and results. Leadership is about exerting influence, but without resorting to coercion.

Undoubtedly, cultural factors play a vital role in the leadership of multicultural organizations. Leaders should base their activities in culturally diverse teams on tact and tolerance, and apply appropriate methods of communication with and motivating employees. Solutions in the area of human resource management should match the solutions acceptable in a given culture. In organizations where various cultures coexist leaders must raise employees’ awareness of benefits resulting from multiculturalism and shape their attitudes in the spirit of sensitivity and openness towards other cultures (Avery, 2011).

Leaders operating in multicultural environments should remember that a national culture carries special significance. This factor has a great impact on communication, motivation, relations with co-workers, thinking, attitudes and behaviors of employees coming from different countries.

The authors would like to emphasize here that leadership in multicultural organizations should take into account employees’ cultural diversity, be open and flexible. It should create opportunities for the free exchange of opinions, experiences and ideas, searching for new solutions, and undertaking new challenges.

To manage people effectively, leader qualities such as enthusiasm, integrity, toughness, honesty, humility, and self-confidence are essential
(Adair, 1998). Optimism, ambition, courage, perseverance and integrity are also important.

In turn, according to E.H. Schein (2007), a leader should be characterized by, among other things: a high level of self-perception and self-understanding, as well as of the reality in which he or she functions; a high level of motivation, which is essential in the process of learning and implementing changes; high emotional strength; the ability to analyze the premises of cultural conditions; the ability to involve other members of the organization and get them to actively participate in achieving of objectives and in the development of the company.

It is important to note that leadership is especially important in a multicultural environment. Leaders should be able to talk about the company’s growth vision in a way that is clear and understandable to employees and customers from different cultures, they should be able to build positive relationships in cross-cultural teams and with customers, and they should learn from their mistakes, share knowledge and experiences.

Management of modern hotels – human resources management practice

The international nature of the hotel industry, cultural awareness and intercultural communication have become very important aspects of contacts with both hotel customers and hotel staff (Hu, Martin, & Yeh, 2002). Hotel managers should be aware of them for several reasons (Grobelna, 2015).

Firstly, motivation for traveling is presently primarily connected with the desire to experience cultural differences. Taking into account the growing number of foreign tourists, it is becoming obvious that interpersonal interactions between people of different nationalities and cultures are likely to increase (Weber & Ladkin, 2010). Thus, if a hotel is to function successfully, hotel management should possess high-level competences in working in a cross-cultural environment (Choi & Kim, 2013).

Secondly, hotel chains are on the lookout for opportunities for expansion and development. They open their hotels in various locations worldwide, which entails the need to relocate their employees (Luka, Vaidesvarans, & Vinklere, 2013). That is why, bearing in mind the international nature of the hotel industry, managers and staff members must be flexible as far as the geographical location is concerned and must be able to adapt to a new environment, including a new culture (Wolvin, 1994). That is why, in order to achieve success and manage effectively, it is necessary to possess not only adequate linguistic competence (although at present, English is
used as a *lingua franca*), but also knowledge of the culture, habits and values of a country in which a person works (Seymour & Panikkos, 2002).

Thirdly, continuous globalization increasingly influences cultural diversity of hotel staff (Taylor & McArthur, 2009). As a result, in the workplace, people from diverse cultures must cooperate and communicate with each other on an everyday basis. Cooperation and successful communication play a key role in the hotel and food industries, where customers are served by many employees (Kielbasiewicz-Drozdowska & Radko, 2006).

Fourthly, effective human resource management is the key to company’s efficiency and its competitive advantage (Jenkins, 2001). It is particularly important in the hotel industry, where human resource management is relatively complex and heavily dependent on successful communication (Lee & Chon, 2000). The lack of, or incorrect understanding of cultural differences can lead to numerous communication breakdowns and inefficient practices in managing, motivating and rewarding culturally diverse employees, which can in turn lead to their dissatisfaction and frustration (Tziora, Giovanis, & Papacharalabous, 2016).

Especially in hotel management, multicultural employees and customers can often generate difficult situations, such as lack of understanding, respect and trust in relations between people from different cultures, which affects motivation, commitment, the quality of work and relationships. Multiculturalism can significantly affect communication problems in the team and with customers, lack of acceptance of the needs and expectations of colleagues and customers, lack of trust, respect and understanding, and above all, stereotypical perception of the representatives of other cultures.

As Machaczka (2014) argues, the cultural fit, when implemented consciously and appropriately, should facilitate the achievement of goals and motivate the continued growth and success of the organization. Therefore, modern companies, especially hotels, where the cultural diversity of employees and customers is usually very high, being aware of the risks associated with cultural variety, should effectively manage multiculturalism, taking care to have such leaders who understand and accept this phenomenon and are able to effectively achieve the objectives in an environment of cultural diversity.
organization. It should be emphasized that the internationalization of business today requires companies to make changes in the existing way of functioning (Đorđević, 2016), especially in the area of human resource management in the context of cultural diversity of employees working in international companies (especially in hotels and institutions in the tourism industry) and in the area of building relationships with customers.

Managers (especially leaders) working in cross-cultural environments should be aware that the same values may not be shared across cultures and that some values may be obvious and understood in one culture but not in others. Hence, the managers (leaders) should be ready to constantly expand and update their knowledge of other cultures, and they must also be open to new ideas, ways of working, and business practices (Knap-Stefaniuk, 2020).

Due to the scarcity of space (editorial restrictions), we will not discuss the issues connected with the specific nature of the hotel industry. It is worth noticing, however, that the current situation of the market and the specific nature of this industry, and especially its internationalization, place a high value on the leader’s ability to successfully function in a multicultural environment. That is why we will look at the issue of leadership through the prism of the role it plays in multicultural organizations.

Leadership in multicultural organizations, such as hotels, includes developing bonds with employees coming from various cultures, which is achieved thanks to openness to diversity, trust, mutual understanding and acceptance. Contemporary leaders are expected to shape employees’ motivation and involvement by crossing borders and changing previous thinking and behavioral patterns (Gobillot, 2006).

Working in a multicultural environment should motivate global thinking. A leader working with culturally diverse teams should be able to recognize the needs and expectations of employees coming from different cultures, to take care of their motivation and development, and to train his or her successors to be open and sensitive to multiculturalism.

Multiculturalism in international companies is a normal phenomenon. But cultural differences in employees and customers continue to challenge many leaders. Skillful management of these differences can maximize the benefits and minimize the problems of cultural diversity.

It should be emphasized that leadership in multicultural organizations, which are characterized by cultural diversity of employees and customers, should be open and flexible (Knap-Stefaniuk & Burkiewicz, 2018). For example, in hotels or institutions from the tourism industry, conditions should be created for a free exchange of opinions, experiences and ideas, searching for new solutions and taking up new challenges, which will provide a response to the diverse needs and expectations of employees and customers from different cultures.
Today, leadership is not only dependent on the personality traits and skills of whoever performs this role, but also on the conditions in which the organization operates. Therefore, on the one hand, a leader should, above all, be able to speak clearly, passionately and with commitment about the vision of the company’s (hotel’s) development, build positive relationships internally and externally, learn from his or her mistakes, share knowledge and his or her experience with employees, and pay attention to them. On the other hand, he or she should be able to assess the challenges that arise in the organization’s environment and try to use them appropriately to improve himself or herself, as well as his or her subordinates and customer relations.

The social skills of leaders, and especially the ability to adapt and communicate across cultures, on top of skills such as the ability to engage in dialog between conflicting parties, are also very important in managing culturally diverse teams. Such skills are essential in an environment of cultural diversity among employees and customers, which is the case in hotels.

Summing up, leadership in a multicultural environment must accept cultural differences in everyday work, be able to build multicultural teams, systematically develop employees’ tolerance to diversity, eliminate stereotypes regarding different cultures, and shape employees’ attitudes and behaviors open to diverse customers’ cultures.

Conclusions

Globalization and economic integration lead to growing diversification of human resources in organizations, which justifies attempts at transforming an organization from monocultural to multicultural. It is also a challenge for managers who have to adjust organizations to changing market conditions. At present, a lot of organizations can be described as multicultural, and their development must be a continuous process.

A conscious leader in an organization acknowledges the fact that cultural diversity can be a source of competitive advantage if it is accompanied by proper strategies, including behavioral ones, and thanks to application of soft management techniques. From the macro perspective, economic growth in its international dimension also depends on how successfully particular markets are able to cooperate, so maintaining intercultural contacts has become not only a norm but also a necessity.

That is why leaders should be aware of the significance of intercultural competences, which have become not only the company’s showpiece, but a market necessity, a must-have, helping to counteract negative effects
of cultural differences. Proper education of managers and leaders, which includes developing competences allowing them to work in an intercultural environment, is a vital element of organizational development. Such competences will minimize the threat of conflicts triggered by cultural differences and prevent attempts taken by one culture to impose its values, norms, and patterns of behavior on another culture. On the other hand, it should be remembered that inept management of multiculturalism can lead to failure, and ignorance of cultural differences in the context of business activity is not only harmful but also costly.

The future of intercultural management lies in an informed selection of candidates for work in an environment of cultural differences. Adequate recruitment, the ability to prevent excessive turnover, and skillful motivation of employees from various cultures can lead to a competitive advantage in many areas, including creativity, problem solving, and flexible adjustment to changes (Ochieng & Price, 2009). Verifying a candidate’s linguistic competences will soon become much less important than it is and will be replaced by checking their predispositions towards working in an intercultural environment, their perception of potential co-workers’ and customers’ diversity, as well as their attitude to stereotypes and cultural differences. As a contemporary trend in the labor market indicates, success no longer depends primarily on specialist knowledge and professional qualifications. They are still important factors, but if they are not accompanied by an ability to adapt to new cultural conditions, they do not guarantee success. In the 21st century, priority will be given to competences and skills connected with successful functioning in a multicultural environment (West, 2002).

The ability to adapt quickly, to effectively communicate cross-culturally, and function effectively in a multicultural environment is essential today to building positive relationships with employees and customers who come from different cultures. In 21st century hotel management, multiculturalism is a normal part of the day-to-day work of individuals and teams, and effective leaders are necessary to realize an organization’s vision for growth and to successfully build the strength of a culturally diverse environment where respect, understanding, and tolerance are the basis for mutual cooperation and goal achievement.

Bibliography


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