MANAGING CULTURAL DIVERSITY IN INTERNATIONAL TOURISM

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Abstract: *Globalization marks the world economy in an increasingly visible manner, and tourism makes no exception. Actually, the tourism is the most visible expression of globalization, involving one of the greatest flows of goods, services and people in the world. One of the issues that arise in this context is evaluating if international tourism enhances understanding among people from different cultures or by contrary increases the likelihood of cultural misunderstanding/conflict. This paper will focus on analyzing how culture of the home/host country influences the experiences of expatriate managers in international hospitality. To conclude will realize a SWOT analysis of their behavior.*

Key words: international tourism, globalization, cultural diversity, expatriates

JEL classification: L83, M12, O15, M16

1. Globalization at a glimpse

The concept of globalization is a very complex one and should be viewed from different perspectives.

The simplest and the most used definition of globalization, from an economic point of view, could be that globalization is a process that merges national economies into an interdependent global economic system.

In order to create that interdependent global economic system, the steps are:
- forming regional economic trading blocks,
- growing local internationalizations through economic developing ties
- deepening multinationalizations by multinational firms
- introducing global norms and standards
- developing global markets and strategies
- growing firms with no specific national operational base. (Reisinger; 2009)

All these led to an increased interconnectiviness between societies, covering numerous areas of life.

The multiple dimensions of globalization are the economic, cultural, social, environmental, political and technological ones. Briefly, those dimensions of globalization can be presented and explained in the table that follows.

Tabel 1 Dimension of globalization

Economic dimension	Cultural dimension
From the economic point of view, globalization is the process whereby the world economies are becoming increasingly integrated and interdependent, market-oriented approaches to development are spreading, the notion of state provision of privatization and deregulation are being withdrawn, trade and investment are being liberalized, and increased penetration of transnational corporations in life is being encouraged.	From the cultural point of view, globalization is the process of increasing homogeneity of lifestyles and aspirations via media, TV, films, tourism, etc., combined with the rapid spread of different views and greater opportunities for marginalized voices to be heard.
Technological dimension	Social dimension
From the technological point of view, globalization is the process of rapid innovation and increasing inter-connectivity, particularly for information and communication services, and biotechnologies. This is the process in which knowledge is the most important factor determining the standard of living, more than capital or labor. Today's most technologically advanced economies are truly knowledge-based (World Bank, 1998).	From the sociological point of view, globalization is the process of incorporating people into a single world society. The world is becoming a "global village."
Political dimension	Environmental dimension
From the political point of view, globalization is the new process of shifting the power from national governments in directing and influencing their economies, to global institutions, such as the World Bank, the European Union, the European Central Bank, the World Trade Organization, the World Health Organization, and the World Tourism Organization. In order to survive, national governments that can no longer manage their national economies must increasingly manage national politics by adapting them to the pressures of transnational market forces.	From the environmental point of view, globalization is the process of increasing inter-linkages between ecosystems, accelerating biological invasions, simplifying and homogenizing natural systems, and intensifying pressure on global commons.

Source-. Saee, J. (2004). *Managing organizations in a global economy: An intercultural perspective.*, Thomson.

Having this as a start point, we will try to present strictly the impact of globalization on tourism.

2. Globalization and the tourism industry
The influence of globalization on tourism touches at least the fields we will talk about next.

First of all, and one that really concerns us in this paper, is the *cultural* one. It can take various forms, such as: creation of global villages; globalization of culture; global uniform culture; global tourist and uniform tourist behavior; culture change; resistance to change in culture; emergence of local identity; emergence of local consumer behavior; glocalization.

Another one, also very important for this paper is *tourist behavior*. Here, we can mention: global orientation; dependence on information technology; use of self-service and personal reservation tools;

demand and desire for new experiences; increased uncertainty and fear; new intrinsic travel motivations; wait-and-see attitude; sensitivity to price; travel cost-cutting; individual travel, do it yourself; travel by car/coach/train instead of plane; accommodation other than hotel; visiting family and relatives.

Technology, one of the most important tools of globalization, cannot be ignored in the tourism field either, especially if we are talking about: global booking systems; global distribution networks; Web 2.0 tools; mobile phone technology; standardized technologies in transport systems.

Tourism, being one of the world's largest multinational economic activities, and globalization's main dimension being the economic one, is inevitable that the *economic* aspect of globalization influences tourism. It forms of manifestation are: horizontal and vertical integration strategies of tourism enterprises; foreign investments in hotels and tourist attractions; global players and strategic alliances; global tourism management; global competition of vacation resorts.

In the globalization context, politics cannot be separate from tourism. So the influence of *politics* can be related to: increasing importance of international tourism organizations; necessity for global coordination and regulation of passenger circulation; sustainable development as quality is a dominant idea.

At last, but not the least, especially now, is the *ecological dimension*. Here we can mention ecological degradation; climate changes and their effect on destinations; global warming and its effect on tourism businesses. (Reisinger; 2009)

As we already stated globalization has an increasing impact on the tourism environment. More and more tourism organizations are now global organizations that operate across national borders. From the multiple aspects of this issue, we will analyze in this paper just how these organizations are managing cultural diversity in their international activities.

3. Managing cultural diversity in tourism industry

Like globalization, the concept of cultural diversity has a lot of definitions and approaches too. More often, when we refer to cultural diversity, we refer to differences in race, ethnicity, nationality, religion or language among various groups within a community, organization or nation. But, cultural diversity is more than that. Is about the diversity of human groups, societies and cultures in a specific area, region or even the whole world. It is also about the mixture of individuals and even groups with different backgrounds, characteristics, values, beliefs, customs and traditions. And, from the paper's perspective, it refers to the existing variety of human social structures, belief systems and strategies for adapting to situations in different parts of the world.

So, managing cultural diversity by companies operating in the global tourism and hospitality industry is not a very easy task. The management of these companies might have trouble relating their corporate culture to their employees' work style, ethics and even expectations. The reasons are very simple, is either ethnocentrism or limited knowledge about another's culture. Even if the reasons are simple the consequences for the work environment can be very serious and may preclude objective assessment and understanding of culturally different people.

In the international tourism and hospitality industry, cultural misunderstandings are often an important factor in the quality of staff service and most of the time occurs when delivering services to the customers. The way staff acts and the expectations of customers are based on their cultural bias.

If the industry professionals, locals and tourists are aware of these aspects of cultural differences, many of the cultural misunderstandings and mistakes can be avoided. Since quality of the social contact between customers and employees influences customers' perception of service quality and their ultimate satisfaction with the product, tourism and hospitality representatives should pay increasing attention to managing cultural differences in personal relations between providers and customers. Being aware of the cultural differences and learning how to face and manage them will be one of the keys to success in the future tourism marketplace. (Reisinger; 2009)

The enterprises acting in the hospitality industry are usually multinational organizations, but a truly multinational organization can be considered one that is able to use cultural diversity in its benefit as its competitive advantage. As we stated before, cultural diversity derives from human resources of different backgrounds, with different values and expectations. From this perspective, a multinational organization can improve its levels of comfort and capitalize on employees' different skills and abilities as a major asset to the company's productivity simply by paying attention to the cultural differences in their workforce. Actually, the practice proved that the wider the range of cultural differences in the workplace, the richer the organization and the more excellent its performance. (Reisinger; 2009)

In this changing environment, due to globalization, we cannot deny that cultural diversity stimulates greater innovation, creativity, and responsiveness to consumer demands and changing environments and that it also contributes to the reputation of the work place and more effective competition.

The reputation of an international hotel chain, but not only, depends a great deal on their executive manager, and the class of such a hotel is defined by the professionalism of its staff and consequently by its standards of service. In order to achieve these aspirations, a multinational hotel company makes use of a special category or class of managers, the expatriate ones. These are qualified, seasoned managers that are transferred or rotated from one property to another one, within the same company, but in other countries than their own.

The use of expatriate managers is a very useful process for the company and most of time a necessary one. Why? Because the transfer or rotation of executives provides training, experience and career opportunities for them. On the other hand, using expatriates is a way to deploy talented managers where they are needed. Furthermore, most of the times there will be organizational development and growth for the company.

We talked before about cultural diversity. In this context, the best expatriate managers are those who understand the importance of local culture, and even more significant, the importance of local staff development training.

Usually the managers, depending on the circumstances, may perform various roles, such as: leading; acting as a figurehead; communicating information; negotiating; allocating resources; handling disturbances; planning; overseeing implementation of plans; and evaluating. (Clark, 2007)

Unlike a manager in its home country, an expatriate manager must have something more, a special capability to adapt himself or herself to a foreign environment and also he or her must be very flexible, especially if the host country can be characterized as being politically volatile. Being an expatriate manager presumes more time, more expertise and much more diplomacy that is needed for a manager that is performing in his home country or in a domestic property.

The preparation or the development of an expatriate manager is a long-term task and involves frequent transfers, rotations on different positions, and individual career tracking. All these make the process a costly one, but in the same time, as we stated before a necessary one. A well prepared international manager is one that has been groomed through years of experience, has experienced different types and different levels of acculturation to different countries. The importance of a qualified manager in order to be successful is recognized both by the host country and the hotel owner. (Rocco &Andy, 2007)

For the international hotel chain, an expatriate manager is the one that represents it in dealing with the locals, from businesspeople, to suppliers, government officials and, of course customers. Because the local community cannot be ignored and because it is very important to be an active part in the community life, in order to be integrated, when asked by government, the expatriate manager must use his or her foreign expertise and the hotel's resources to participate in the country or community's pet projects. These involvements in local community's life make from the expatriate manager more than a simple representative of the international hotel chain, more likely an ambassador-at-large from the home country.

Unfortunately most of the time, these expatriate managers are sent in foreign countries, especially in the developing ones, without being properly prepared. Not necessarily from the professional point of view, but with very little understanding of what they will encounter there or without knowing exactly what the ramifications of their actions and behavior are. Even if they are well prepared about the culture of their foreign environment, there is at least one more aspect that should be known and also to be prepared to deal with: practical ethic. They might encounter some difficulties in dealing with this aspect based on their own cultural biases. For example, under-the-table payment for favors is a gray area in some cultures, perhaps questionable but not illegal. Hotel managers in developing countries may actually be seen as a party to a "contract" in which the host country tacitly agrees to accept some of the negative consequences of hotel development in order to gain its benefits. The hotel manager's style and the policies established will affect both the benefits accrued to the community and any adverse social impacts. (Gee, 2008)

In order to improve the relationships with local community, even if there is a wish to hire local managers, the expatriate managers are the only solution. Why? Because most of the time local residents have limited access to training in hospitality industry and even if they do they may be not properly prepared for this kind of positions. And of course it is about personal prestige. So the only solution left is

to hire qualified local nationals for junior management positions. Most of the time, the international hotel companies have training programs for the most talented local nationals to qualify them for eventual senior management positions. Additionally, those locals are sent to different properties, as seasoned managers, to become more familiar with the company's system and culture.

Occasionally, there is a possibility to hire locals for senior management positions, due to vary reasons, sometimes for political ones. But even in these situations is better to use expatriate managers for technical assistance in pre-opening and organizing activities for the new property. The lack of exposure to the company's operating system, procedures and standards make the inexperienced managers unable to cope successfully with the multiples decisions needed to be taken in the start-up of a new hotel. So it is desirable to use expatriates in the pre-opening and most of the times even in the first years of hotel operation. When the hotel operates well and the local staff becomes better trained, they can move into senior management positions.

Irrespective if the international hotel chain use expatriates for pre-opening or for the effective operation of the property a very important aspect is the skill transfer. This practice supposes the explicit understanding that the expatriate technician or manager will help develop his or her local counterpart and that eventually the job will be filled by a local replacement.

We can imagine that the skill transfer could be easier for some hotel positions than for others, if formalized training or education is required. To be a successful transfer, a major commitment must be made to giving local hotel workers ongoing training and assistance. There are different degrees of commitment to the task of local personnel development, some companies are sympathetic to the community goals of maximizing local employment and placing local nationals into higher positions to serve as role models, some companies are reluctant to yield totally to community pressures. Even under favorable circumstances, locally trained personnel will usually be constrained by their lack of experience and international exposure. (Gee, 2008)

4. Instead of conclusions

There are many more aspects concerning the employ of expatriate managers. We will stop here, but not before making a SWOT analysis of filling the executive manager position by an expatriate. The analysis will be made from two different perspectives: one from the expatriate point of view and one from the hotel company perspective.

Table 2. SWOT analysis from the expatriate manager point of view.

Strengths	*Weaknesses*
The expatriate managers are much better paid then the domestic ones. Their revenues include high salaries, the compensation package and adjustments for hardship and other allowances They are offered high living standards afforded by perquisites: - possibly company-owned and -furnished housing, - a chauffeur-driven company car, - company-paid domestic help, - cost of living allowances, - incentive compensations. A foreign assignment means: - new connections, - meting other cultures and business climate or environment; - working with new and different people, - new ideas - an improving experience.	The manager might face the shortage of appropriate accommodations and educational facilities to support family life. There will be worries about health needs, appropriate schools for children and religious needs. A special attention should be paid to health considerations: poor standards of hygiene and medical service; the absence of medical staff who speak expatriate's language; cautions in using or consuming water, fresh fruits and vegetables. Managers tend to have a disadvantage in dealing with relationships between the hotel property and local suppliers and businesses, the community, and governmental bodies. The expatriate managers may not be accepted by the employees or other managers. Expatriate managers can make serious errors in judgment if they fail to make the necessary adjustments in their styles of leadership and control.

Opportunities	Threats
The managers have the possibility: - to act autonomously within the company s policies especially during emergencies; - to change or influence organizational strategies; - to gain a wealth of different kind of knowledge; - to get a more "international" view or perspective; - to keep improving the management with new ideas and cultural features. The managers can transfer knowledge to junior managers who, as a rule, are from local qualified individuals. The expatriate managers can use their expertise in offering technical assistance either in pre-opening and organizing processes for a new property or in effective running of the hotel.	The main threat is *cultural shock*, resulting from being immersed in an unfamiliar environment. Due to the lack of contact with, and by geographic separation from their own country and culture their frame of reference may become increasingly localized – *excessive acculturation.* There is a potential to fail and the result will be *early repatriation*. Such a manager who fails in a foreign assignment: - may become less effective upon reassignment to a domestic property, - may suffer a loss of self-esteem and confidence and possibly a loss of prestige among peers. Even if the *repatriation* is made when contract expires, there could be a difficult one. It is not easy to: find a suitable position for a repatriated manager; find an equally prestigious job; find an assignment that allow as much latitude or autonomy as the last one. Sometimes the managers and their families suffer a *reverse cultural shock.* Another problem that might occur is the *financial readjustment*.

Table 3. SWOT analysis from the hotel company point of view.

Strengths	Weaknesses
The expatriate managers know and understand the organizational culture, strategies and goals. They are coming with know-how, experience and most of the time international expertise. Their previous experience in domestic or other international facilities is already proved. An expatriate manager can offer experience, skills transfer, and even a new vision for the company. The manager is seen as an "ambassador-at - large" for the company and for home country. The expatriate managers usually have a solid educational background. They have a positive impact and induce more respect in the company than a local manager.	The main weakness for the hotel company is the *high cost*. Expatriates employee will cost the company a minimum of three times as much as a local national filling the same position. The elements that make the cost so high are: - the size of the allowance or differential package required, - relocation expenses - compensation for the inconveniences or hardships caused by the foreign assignment, - the cost of tax reimbursement programs. They also need long pre-departure and cross-cultural training that can be expensive too. They are not as efficient as local managers in dealing with local suppliers, businesspersons, community or governmental organizations.
Opportunities	Threats

The expatriate managers can transfer knowledge to junior manager who will fill up the senior management positions, which are cheaper and after that the expatriate can be relocated where needed. Bringing an expatriate manager can contribute to the expansion of international tourism in the host country. They can contribute to the diversification of the products offered by the company If the expatriate proves to be the proper one, he or she could improve the relations with local workforce and community.	The cost of poorly selected or poorly trained manager : - actual cost, including training, relocation costs, salary and non-salary expensive, eventual early repatriation costs - opportunities missed, related to inefficiency, guest dissatisfaction, damage to the company's image, and eventual strained relations with the owners and the local government Labor laws and other host country's regulations, in many countries, might limit the number of hotel expatriates who can be employed and might pose problems in obtaining visas or work permits for them.

The hospitality industry and the whole tourism sector is people based, meaning that is run by *people* and for *people*. The real potential for this sector lies in its people and culture differences among employees and customers can make or break the industry.

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