

# How culture affects Management?

Case study: Rocco Forte Hotel Chain

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# THESIS

#### Abstract

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## Abstract

The study is about how culture affects management. Culture can have many different meanings. Management has also many different ways to be approached. While doing research about cultures, the study will try to analyze how the culture affects the management. The study starts with a full explanation of the meaning of culture. Some previous analysis and studies are added to illustrate my study on the subject. The effect culture has on management is studied at different levels. The study does not focus on understanding others cultures but on how cultural differences affect the process of doing business and managing.

The choice of this topic is related to my two degrees. The hospitality and tourism management degree, I follow in Belgium and the business degree, I follow here at Savonia University of Applied Sciences. By doing this thesis, a link is created between my two studies fields.

The survey has been done in collaboration with the Rocco Forte Hotel Chain. A 32 close ended online survey questions based on the theory has been sent to managers of the chain to gather answers concerning how culture affects management. It resulted that employees are aware of the important role playing by culture in business but would like more trainings about it. We can also observe that since this chain is owned by a family, the corporate culture influence the personal culture of the employees.

The thesis is part of my education. The acquisition of knowledge will be useful for my future career. Another objective is to allow the reader to learn something when reading the thesis.

Keywords

Cross cultural Management, intercultural communication, culture, business, tourism, hospitality

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The study is about how culture affects management. Culture can have many different meanings. Management has also many different ways to be approached. While doing research about cultures, the study analyzes how culture affects management. The study starts with a full explanation of the meaning of culture. Some previous analysis and studies are added to illustrate my study on the subject. The effect culture has on management is studied at different levels. The study does not focus on understanding others cultures but on how cultural differences affect the process of doing business and managing.

The choice of this topic is related to my two degrees. The hospitality and tourism management degree, I follow in Belgium and the business degree, I follow here at Savonia University of Applied Sciences. By doing this thesis, a link is created between my two study fields.

One of the objectives is to understand the meaning of culture. Through researches and reading articles, I would like to enhance my knowledge about culture and business. From my lectures, the main point is to get the idea, think about it and be able to reformulate it making a resume of all I have learned. The most challenging part is the research and gathering part. The thesis is part of my education. The acquisition of knowledge will be useful for my future career. Another objective is to allow the reader to learn while reading.

#### 1. THE MEANING OF CULTURE

Culture has to be learned. We are not born with our culture. It is our environment which allows us to get familiar with one culture. Children come into the world with basic drives and motives. They do not possess already made behaviors. They are born without any cultural knowledge. Your culture is linked with the country where you were born and with the family you have got. But you could have been born in another country in another family and you would adopt that culture as your own. Culture is non-instinctive means that we are not genetically programmed to learn a particular one. (Trompenaars F., 1998.)

Moreover culture is not only non-instinctive but also cumulative. Every generation discover new things and invent better technologies that are added to the previous generations.

## 1.1. The different levels of culture

If you take an onion as an example, you will understand better the different layers. As you peel an onion, layer after layer are coming out and the deeper you get, the closer you are to the roots. The outer layer is the visible one which is the most concrete since it is the first contact you have with a new culture. It includes the observable reality as food, the language, the buildings, houses, monuments, agriculture, markets, fashions and art. (Trompenaars F.,1998.)

After seeing the exterior, you start peeling and get into the onion. The middle layer includes the norms and values of an individual group as we go deeper inside. Norms have been invented to differ wrong from right as laws and values and what is good or bad to the ideals of group. If norms reflect values, then culture is stable. Norms are what we should do and values are what we feel to do. (Trompenaars F.,1998.)

At the end, you get into the core. The core is directly related to our assumptions about the existence. How people solve problems, what are their basic values that strive them for survival are basic inner questions related to the core. Each civilization encounters problems daily with nature; the Dutch with rising water, the Swiss with mountains, and avalanches; the Central Americans and Africans with droughts; and the Siberians with bitter cold. With their own resources, each civilization had to find solutions. Culture has the same root as "to cultivate", meaning to till the soil: the way people act upon nature. Because we solve problems every day, solutions seem to be obvious and to disappear. It is normal because if every time that we encounter a problem we should think about one solution, then we would go crazy. If a question provokes confusion or irritation it is a basic assumption of a person.

Making mistakes on the first layer of the onion is not as bad as making mistakes at the core of the union. People will be less bothered if you make a mistake regarding the language than if you strongly oppose yourself to their beliefs. (Trompenaars F.,1998.)

## 1.2. The implication of the definition

After establishing what culture is, you realize that it represents the accumulated learning of a group – the ways of thinking, feeling, doing things. You realize also that the important parts of culture are mostly invisible. The values, the vision of the world and the assumptions we have are all hidden. Those aspects represent tacit knowledge, even in our own culture. It also means that it is difficult for us to show and explain our values since we do not have words to express why it is good, bad, beautiful, ugly, fair or unfair. It is part of our daily life and sounds "normal" to us. Culture cannot be quantified nor measured. There is no right or wrong, no better or worse culture, except in relation to what the organization is trying to do and what the environment in which it is operating allows. A culture cannot be labeled, culture is a multi-dimensional diagram. (Lewis R., 2006.)

#### ✓ Geert Hofstede

Professor Geert Hofstede has made researches concerning the culture effect in companies. He is recognized internationally for having developed the first empirical model of "dimensions" of national culture, thus establishing a new paradigm for taking account of cultural elements in international economics, communication and cooperation. Later, he also developed a model for organizational cultures. Through his manifest academic and cultural activities in many different countries Hofstede can be regarded as one of the leading representatives of intercultural research and studies. The findings of his research and his theoretical ideas are used worldwide in both psychology and management studies. (Hofstede G., 2012.) Here below is the Hofstede's theory about cultural dimensions:

TABLE 1. The six dimensions by Hofstede (Hofstede G., 2012.)

Dimension:	Definition:	
Power distance	"This dimension expresses the degree to	
	which the less powerful members of a so-	
	ciety accept and expect that power is dis-	
	tributed unequally. The fundamental issue	
	here is how a society handles inequalities	
	among people. People in societies exhibit-	
	ing a large degree of power distance ac-	
	cept a hierarchical order in which every-	
	body has a place and which needs no fur-	
	ther justification. In societies with low pow-	
	er distance, people strive to equalize the	
	distribution of power and demand justifica-	
	tion for inequalities of power."(http://geert-	
	hofstede.com)	
Individualism versus collectivism (IDV)	"The high side of this dimension, called	
	Individualism, can be defined as a prefer-	
	ence for a loosely-knit social framework in	
	which individuals are expected to take care	
	of themselves and their immediate families	
	only. Its opposite, Collectivism, represents	
	a preference for a tightly-knit framework in	
	society in which individuals can expect	
	their relatives or members of a particular	
	in-group to look after them in exchange for	
	unquestioning loyalty. A society's position	
	on this dimension is reflected in whether	
	people's self-image is defined in terms of	
	"I" or "we.""(http://geert-hofstede.com)	
Masculinity versus femininity (MAS)	"The masculinity side of this dimension	

	represents a preference in society for achievement, heroism, assertiveness and material reward for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for co- operation, modesty, caring for the weak and quality of life. Society, at large, is more consensus-oriented. "(http://geert- hofstede.com)
Uncertainty avoidance (UAI)	"The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? Countries exhibiting strong UAI maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles." (http://geerthofstede.com)
Long-term versus short-term orientation (LTO)	"The long-term orientation dimension can be interpreted as dealing with society's search for virtue. Societies with a short- term orientation generally have a strong concern with establishing the absolute Truth. They are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick re- sults. In societies with a long-term orienta- tion, people believe that truth depends very

	much on situation, context and time. They show an ability to adapt traditions to changed conditions, a strong propensity to save and invest thriftiness, and persever- ance in achieving results."(http://geert- hofstede.com)	
Indulgence versus Restraint (IVR)	"Indulgence stands for a society that allows relatively free gratification of basic and nat- ural human drives related to enjoying life and having fun. Restraint stands for a so- ciety that suppresses gratification of needs and regulates it by means of strict social norms." (http://geert-hofstede.com)	

The cultural dimensions model of Geert Hofstede is a framework that describes six sorts (dimensions) of differences/values perspectives between national cultures.

To understand management in a country, one should have both knowledge and empathy with the entire local scene. However the scores of the unique statistical survey that Hofstede carried out should make everybody aware that people in other countries may think, feel and act very differently from you, even when confronted with basic problems of society.

## ✓ Fons Trompenaars

Fons Trompenaars worked as consultant, trainer, motivational speaker and author of many books on the subject of culture and business. He is known worldwide. He founded a company which is Trompenaars Hampden-Turner, an intercultural management firm. During 20 years he helped Fortune 500 leaders and professionals manage and solve their business and cultural dilemma. Fons Trompenaars did this because his goal is to increase global effectiveness and performance. He is interested in different areas such as globalization, mergers and acquisition, HR and leadership development.

In 1998, both management consultants Trompenaars and Hampden-Turner published their "Seven Dimensions of Culture" model. This model represents the explanation of national cultural differences in organizations. The model also shows how to manage these differences in a heterogeneous business environment which is a major challenge for international managers. (Trompenaars F., 2012.)

Dimensions:	Definitions:
UNIVERSALISM versus PLURALISM	"The degree of importance a culture as-
	signs to either the law or to personal rela-
	tionships. In a universalistic culture, people
	share the belief that general rules, codes,
	values and standards take precedence
	over the needs and claims of friends and
	other relationships. In a pluralistic culture,
	people see culture in terms of human
	friendship and intimate relationships. While
	rules do exist in a pluralistic culture, they
	merely codify how people relate to one
	another."
	( http://www.provenmodels.com/)
INDIVIDUALISM versus COMMUNI-	"The degrees to which people see them-
TARISNISM	selves function more as a community or
	more as individuals. In a principally individ-
	ualistic culture, people place the individual
	before the community. This means that
	individual happiness, fulfillment and welfare
	prevails and people take their own initiative
	and take care of themselves. In a principal-
	ly communitarian culture, people place the
	community before the individual. Thus, it is
	the responsibility of the individual to act in
	ways which serve society. In doing so, indi-
	vidual needs are automatically attended." (
	http://www.provenmodels.com/)
SPECIFIC versus DIFFUSE	"The degree to which responsibility is spe-
	cifically assigned or is diffusely accepted.
	In a specific culture, people first analyze

TABLE 2. The seven dimensions by Trompenaars (Trompenaars F., 2012.)

	the elements individually and then put them
	together, the whole is the sum of its parts.
	People's lives are divided accordingly and,
	only a single component can be entered at
	a time. Interactions between people are
	very well-defined. Specific individuals con-
	centrate on hard facts, standards and con-
	tracts. A diffusely oriented culture starts
	with the whole and sees individual ele-
	ments from the perspective of the total. All
	elements are related to one another. Rela-
	tionships between elements are more im-
	portant than individual elements."
	(http://www.provenmodels.com/)
AFFECTIVITY versus NEUTRALITY	"The degree to which individuals display
	their emotions. In an affective culture, peo-
	ple display their emotions and it is not
	deemed necessary to hide feelings. How-
	ever, in a neutral culture, people are taught
	not to display their feelings overtly. The
	degree to which feelings become manifest-
	ed is therefore minimal. While emotions are
	felt, they are controlled."
	(http://www.provenmodels.com/)
INNER DIRECTED versus OUTER DI-	"The degree to which individuals believe
RECTED	the environment can be controlled versus
	believing that the environment controls
	them. In an inner-directed culture, people
	have a mechanistic view of nature; nature
	is complex but can be controlled with the
	right expertise. People believe that humans
	can dominate nature, if they make the ef-
	fort. In an outer-directed culture, people
	have an organic view of nature. Mankind is
	viewed as one of nature's forces and
	should therefore live in harmony with the

	environment. People therefore adapt them-	
	selves to external circumstances."	
	(http://www.provenmodels.com/)	
ACHIEVED STATUS versus ASCRIBED	"The degree to which individuals must	
	•	
STATUS	prove themselves to receive status versus	
	status simply given to them. In a culture	
	with achieved status, people derive their	
	status from what they have accomplished.	
	Achieved status must be proven time and	
	time again and status will be given accord-	
	ingly. In a culture with ascribed status,	
	people derive their status from birth, age,	
	gender or wealth. Here status is not based	
	on achievement but it is accorded on the	
	basis of the person's being."	
	(http://www.provenmodels.com/)	
SEQUENTIAL TIME versus SYNCHRON-	"The degree to which individuals do things	
IC TIME	one at a time versus several things at once.	
	Cultures developed their own response to	
	time. Time orientation has two aspects: the	
	relative importance cultures assign to the	
	past, present and future, and their ap-	
	proach to structuring time. In a sequential	
	culture, people structure time sequentially	
	and do things one at a time. In a synchron-	
	ic time culture, people do several things at	
	once, believing time is flexible and intangi-	
	enee, senering and to nexable and intalign	
	ble."( http://www.provenmodels.com/)	

Fons Trompenaars made a research because he wanted to find out what are the different dilemmas of everyday life. The seven dimensions can be studied in every country to be able to have knowledge on how they react in response to each dilemma. Those dimensions also help to understand different interactions between people from different national culture.

#### 2. THE IMPACT OF CULTURE ON BUSINESS

Doing business vary for each culture. The management style is influenced by each culture. There is not one best way of doing business. People have their roots inside them which allow them to interpret the meaning of an organization. The knowledge about cross cultural management comes from the managers who worked abroad. Often is said that managers who cannot handle the local culture, will fail. (Trompenaars F., 1998.)

With the growing evolution of the industrial power of Japan, organizational researchers and managers became conscious of the link between management and culture. Americans, during the 1960s, showed confidence in management which had a big influence on the market. In the 1970s, step by step, the Japanese market grew. They performed in automobile, electronics, and other manufacturing industries and shaked all other international markets. Japan created bright image regrouping value, quality, service and reliability. Considering that Japan has no natural resource, no energy and a population over 110 million of people, Japan made himself the country with the highest growth rate, the lowest level of unemployment and created the largest and more successful organizations with one among the best-paid and healthiest working population in the world. Researchers have been searching and analyzing the reason of this success and came up with the conclusion that culture played a major role. Culture has thus been related to management in the 1980s, showing Japan as trend-leader in considering the culture and the character of your own country linked with organizational life. (Trompenaars F., 1998.)

Manager's responsibilities are changing over time in relation to the needs of organizations in the international markets. The globalization is at the source of this change and managers now have to adapt to this new vision of organizations. The biggest challenge is the intercultural management. Nowadays organizations buy, sell and deal with people from different cultures. Headquarters are split all around the globe. Factories rely on international markets and distributors. Many companies rely on immigrant labor. In resume, few companies escape the need for intercultural communication. (Trompenaars F., 1998.)

Discrimination and harassment are part of a lack of communication. Managers should understand and know about this important part of the communication across barriers which are created by the differences. The growth of being conscious is an important factor to improve the intercultural communication effectiveness. Prejudice nowadays means an irrational attitude towards someone. Discrimination means that someone is treating someone else on the basis of arbitrary grounds, for example prejudice. Discrimination has a bad effect on the minority groups. Discrimination is at the origin of the low chances of the minority groups to get employment, equal earnings and promotion. (Guirdham, 2005.)

TABLE 3. "Statements from the US State Department Report on Human Rights for 2001." (Guirdham M., 2005.)

"Statements from the US State Department Report on Human Rights for 2001 describe some of the discriminatory problems in different European countries."

## "On Germany:

The Basic Law provides for the freedom of religion, and the Government generally respects this right in practice; however, there is some discrimination against minority religions. Scientologists reported employment difficulties, and, in the state of Bavaria, applicants for state civil service positions must complete questionnaires detailing any relationship they may have with Scientology. Resident foreigners and minority groups continued to voice credible concerns about societal and job-related discrimination. Unemployment affects foreigners disproportionately, although at times this was due in part to inadequate language skills or nontransferable professional qualifications of the job seekers."

# "On Greece:

The Constitution provides for equality before the law irrespective of nationality, race, Language, religious or political belief; however, government respect for these rights was Inconsistent in practice, the rate of employment of Muslims in the public sector and in state-owned industries and corporations is much lower than the Muslim percentage of the population. Muslims in Thrace claim that they are hired only for lower level, part-time work."

# "On Spain:

The Constitution provides for equal rights for all citizens, and discrimination on the basis of sex, race, ethnicity, nationality, disability, ideology, or religious beliefs is illegal; however, social discrimination against Roma and immigrants is a problem. Although prohibited by law, discrimination in the workplace and in hiring practices persisted. "

"It should be noted that these countries have been selected at random: there is no suggestion that they are either better or worse than others in Europe. " In Germany, it is difficult to find a job if you are foreigner or following the scientology religion. You are out by your culture. In Greece Muslims can find work but at lower level only. Are they considered as less intelligent? Here culture is viewed as an obstacle, a barrier and no effort is made to cross it and try to understand by communicating. There is a big gap of communication in the case of discrimination.

The overall picture is a mixed one: discrimination persists everywhere in Europe, though in some places more than others and in different countries is directed mainly against different groups. In most cases, the situation is improving, though only slowly. (Guirdham M., 2005.)

## 2.1. From a human point of view

The adjustment to a new culture is characterized by different steps to go through. First step is characterized by exaltation and optimism. This step is also characterized as the blind one. In this step managers do not realize yet that culture plays a big role in doing business with local employees. The second step is a period of irritability, frustration and confusion. It combines most of the times with the period when decisions are to be made. It is the most important step. The last step is the adaptation to the new culture. You start to get used to it and understand more how to manage the local employees. The different steps have to be approached regarding the behavior of each person and his prior expectations. (Schein E., 2009.)

## 2.2. From a business point of view

New technologies and markets are not the only factors to take into consideration when analyzing the way of doing business in a company, also the cultural orientation of leader and employees are important. The only common references you can see between multi international companies that have subsidiaries in Europe, in Asia, in America or in Middle East are the reporting procedures and the logo. (Schein E., 2009.)

The corporate culture is divided into three faces. The first face corresponds to the relation between employees and the organization. The second face is the vertical or hierarchical system of authority describing superiors and subordinates. The third face consists of the perspectives of employees about the organization's future, purpose and aim and their position in this. (Schein E., 2009.)

The company image, alias the corporate image, can be represented by either the egalitarian or the hierarchical system. The egalitarian system is directed to people while the hierarchical system is directed on how the business has to be done. (Schein E., 2009.)

To have a better view on those egalitarians and hierarchical system differences can be made between the person and the task:

- 1. The people who are more oriented to egalitarian and person , are the ones who are fulfilled-oriented to culture.
- 2. The people who are more oriented to egalitarian and task, are the ones who are project-oriented to culture.
- 3. The people who are more oriented to hierarchical and task, are the ones who are role-oriented to culture.
- 4. The people who are more oriented to hierarchical and person, are the ones who are person-oriented person to culture.

Those four metaphors illustrate the relationship of employees to their notion of organization. Those types of corporate culture are ideal types. In reality, they are mixed but the separation is useful for a better understanding of the basis in every culture. Some people are more oriented to the person and thus are fulfilled oriented to culture and some others prioritize the work thus are role oriented to culture.(Trompenaars, 1998.)

# 2.3. Facing Cultural Dilemmas

When managers have a lack of awareness about cultural divergences, it drives to cultural dilemmas in business. There could be a long list of do's and don'ts. By making the effort on understanding the cultural divergences, workers are able to prevent a pitfall. You have to make an effort to understand your own culture and approach the one of your co-worker. The main dilemma occurs when you have to understand his state of mind and you are not knowledgeable about all cultural differences. Of course people can make errors but people who are open minded about cultures can recognize why others act in other way because they have got a frame of reference to analyze actions of others. (Trompenaars, 1998.)

One goal of cross cultural training is to make people realize that they are constantly trying to find meanings to the actions and objects they see. It is more than common to have cross cultural trainings at the management level. The most difficult part is being afraid to go beyond our own framework. (Trompenaars, 1998.)

The respect of cultural differences is essential. Think about attitudes that you would have like for a person from another culture. The point is that with the comparison made with your own life, you realize that attitudes were different only in the way you look at them and not in their functions. When people recognize that cultural differences are in themselves, they understand others better. (Trompenaars, 1998.)

"For example, we know that Japanese people are mostly quiet and mysterious and you do not really know what they think and they always say yes even if they are negative about something. Well if you look into our own culture, don't you see the same reaction in certain events? When a child is performing for his first time a concert and is nervous, you might say "wonderful performance" to give him confidence even though you do not actually believe it was a good performance." (Trompenaars, 1998.)

Once people get to the point that those steps are essential, then they can understand that they have to reconcile the cultural differences in order to create wealth and values in business. Reconciling cultural differences can be studied from a different point of view. Here below, is a short description of each of them. (Trompenaars, 1998.)

Cultures are not separate, they are just different. Thoughts and acts are kind of similar to the rules or dissimilar to the rules. And to define rules, exceptions must be defined also. Then we talked about the term complementary. The use of humor helps people to go across cultural differences without affecting them personally. Open your mind to explore the diverse possibility of a cultural space available. We should be flexible. We always tend to attribute our theory to a person, a place, a thing but instead we should attribute them to present participles, which transform them into processes. What language means in one culture may have a different meaning in another culture. You should be able to use a ladder of abstraction in order to understand the meaning of what is being said, asked. Frames and contexts are reversible for a better understanding. You can

always try to imagine if yourself to the other side. How would you feel, what would you think? The context seems clearer afterwards. (Trompenaars, 1998.)

If you try to assume that both cultures must be expressed simultaneously, you are wrong. It must be expressed in a sequence, so that the subject can be analyzed by itself and then generalized. (Trompenaars, 1998.)

Imagine that our culture instead of being things, they are waves-forms that every time repeat themselves we can correct them. To be able to correct those means that we take into consideration the realization of every step constituting our culture. Synergy comes from the Greek word "sunergos" to work with. If the cultures work together, they are mutually facilitating and enhancing each other. The metaphor with the double helix molecular summarizes the steps of reconciliation. The twisted elements of the ladder are complimentary. When the pairs joints unexpectedly it is funny. The use of up and down and right to left of the ladder constitutes the mapping. The twisted elements are constantly in a growth process and contextualized. The process is sequential. It is made of waves with synthesis producing growth and synergy. (Trompenaars, 1998.)

There are three main divisions in which every culture face dilemmas.

- 1. In relationship with people
- 2. In relationship to time
- 3. In relation between the people and the environment.

These three divisions categorize how dilemmas created by cultural differences can be classified. Each culture has its founded roots and when it comes to encounter or work with another culture, problems may arise. Those problems arise in three different situations. The situation can be with people, with time or with the environment. It is important find out from which of the situations the problem arised to find a suited solution. (Trompenaars, 1998.)

Centralization versus Decentralization has been a hot topic for years. What is best for my company? Both of them are successful if you choose the appropriate one for your company. (Trompenaars, 1998.)

Decentralize consists of delegation while centralization focus on gathering activities within one place, often called headquarter. The idea is to differentiate in such a way that

integration is more effective or to decentralize activities in such a way that an ever broader diversity gets coordinated by the central nervous system of your corporation. In a matter of cultural diversity, is always a challenge, but when this challenge is met valuable connections result. In decentralization, the focus is on quality and not on quantity. The matter is not in how much but what we are going to decentralize. A company has to centralize information to cohere but this does not mean that decisions cannot be made locally. Global and multinational companies are both essentially centralized. The subsidiaries relate to the head company/head country. The top management is filled by many foreigners. In contrast, the international corporate structure moves out the influence from its center to regions and nations, retaining a coordinative role. (Trompenaars, 1998.)

#### 2.4. Developing cultural competencies

#### Individual Background

Nowadays with globalization, it is not rare to see two persons getting married from two different cultures. Children have parents with different nationalities. Children change countries several times when young as well as growing up with two or more languages at home, neither of which may be the local language. This helps individuals to get certain receptiveness to cultural differences from an early age. Now such exposure to cultural differences is more present in some parts of the world. Europe faces a peak of cultural differences emerging in contrast to Asia. Even more inside of Europe, countries might already have different cultures, different languages as Belgium or Switzerland. To emphasize the cross-cultural experience, in Europe the possibility of learning abroad for students and staff is supported by government. (Scheider S. and Barsoux J-L., 2003.)

#### Work experience

Work experience is your own career path. Mobility is known as the main point for international managers. In the meantime mobility has different results on the personality of each of us. Some of us travelling start being more rigid in their thoughts rather than less so. Some of us completely fill in the characteristics of being the perfect international manager but do not want to travel. It may vary according your culture and habits. If it is normal to live all your life in your home country with your family, it will be difficult to travel. (Scheider S. and Barsoux J-L., 2003.) Travelling also brings you a global perspective while working in a multi-international environment. There are such factors as early challenges and diversified experience that are part of the development of the international business managers. (Scheider S. and Barsoux J-L., 2003.)

Personal strategies for managing across cultures

First of all, to be a good manager in a foreign country, being able to adapt quickly to new situations is a must. The level of adaptability that each of us has is related to our own lifestyle. It lays in the diversity of your family, early international experiences and multi-lingualism. (Scheider S. and Barsoux J-L., 2003.)

Leadership skills including self-confidence, responsibility, curiosity, imagination, communication, career goals and expectations are to be acquired. (Scheider S. and Barsoux J-L., 2003.)

One specific essential part is the observation and communication. The observation is the best way to watch over the differences between your own culture and the other. On the other side communication is complementary to the observation since you cannot observe every facet of culture with your eyes. Talking with local people helps you to learn about their way of thinking, doing business and living. (Scheider S. and Barsoux J-L., 2003.)

Learning the local language is one of the possibilities. When using your second language, care should be attributed to the communication and its meanings. The difficulty is that we might transfer elements of our own language to the second language which may lead to a misunderstanding. The two linguistic competences involved are the pragma linguistic and the sociopragmatic. Pragmalinguistic refers to the formal language such as the requests, apologies and complaints. Sociopragmatic refers on the other side to the surrounding of the formal language such as the politeness or what are the suitable topics for conversation. (Scheider S. and Barsoux J-L., 2003.)

If you still are not comfortable with the way of doing business, you could use a third party person who will be responsible for the negotiations between the two parties. The only precaution to be alert of is that the other party should not consider it as a lack of respect. (Scheider S. and Barsoux J-L., 2003.)

Another strategy is to adopt the other culture's way of working. This strategy is most advanced already because a fluency in the local language and extensive experience with the other culture is needed. With the globalization nowadays you cannot tell in advance who is born where with certitude. Be careful when dealing with all the employees because they might also come from another country with another culture. Even nationwide culture meanings, norms and values can differ. The relationship international managers have with local employees should not be unchanging since the relation is considered as an evolving dynamic process. When there is a will on both sides to cooperate, the relationship evolves over time. You should not judge what is good or bad in the foreign country based on you own culture moral. When it comes to business, discussions have to be made regarding the tasks. Common standards should be defined in order to accord on the business work. (Scheider S. and Barsoux J-L., 2003.)

It really sounds easier than it is in the reality to be confronted to manage an intercultural team. There are some regulations such as respect, patience, communication, mutual understanding. We often lose our mind when we have to question ourselves and do not find any reference. (Scheider S. and Barsoux J-L., 2003.)

The key point is here; international managers should not adopt other cultures and abandon their own one. Our own culture is the basis from which we stand up for. Our own culture serves as a reference to be able to step into another culture and understand the differences. The difficult part is of course to get the will to face up our own hypothesis, to call them into question and to make sure that we will face the differences and not fear them. (Scheider S. and Barsoux J-L., 2003.)

Management strategies for managing across culture

Two strategies are useful for managing across different cultures; the controlling strategy and the adapting strategy. The controlling strategy is the one where control on management is effective. The strategy is that the control is central and formal. The collection of information is done using the quantitative and objective method. Forecasting, econometric models, and structured scenarios are useful to analyze the situation. Top management takes decisions based on the information collected and forwards them down to be implemented. (Scheider S. and Barsoux J-L., 2003.)

The adapting strategy has a non-central and informal control. The collection of information is done using personal sources, friends and colleagues and tends to be more qualitative and subjective. Not only one person has the whole responsibility. For unforeseen events, adjustments can be made and strategy can be refined for on an ongoing basis. (Scheider S. and Barsoux J-L., 2003.)

## 2.5. The consideration of culture in work design

The local culture should be taken into consideration for the design of the workplace. As many businesses are taking place in international ventures, for an effective design of the workplace, culture should be an important factor. Even though general tasks and responsibilities are quite the same for the jobs, the working conditions and the adaptation in a foreign country should fit with the local culture norms and values.

TABLE 4. HR planning with fewer working hours (Rhoads C.,2002.)

# **GLOBAL WORKFORCE CHALLENGE 5.1**

# HR PLANNING WITH FEWER WORKING HOURS

In keeping up with work demand as part of HR planning, the numbers of hours employees have available to work make up an important part of the planning equation. In 2002, France extended its law reducing the workweek to thirty-five hours from thirty-nine for companies with fewer than twenty employees. Vacations have nearly doubled since the 1970s in several European countries, including Italy, Spain, and the Netherlands—with about six weeks being the annual norm across Europe. According to the OECD, the average German worker puts in about 1,400 hours a year, a 17 percent decrease since 1980. Although unions and governments have asserted that these reduced work hour measures have created or saved jobs, unemployment still remains high and the economy stagnant. European and other MNCs in Western Europe are becoming more concerned about their ability to compete globally with the reduced work hours in the equation—it isn't just the higher cost of wages. Caterpillar, Inc., the U.S. maker of heavy machinery, added seventy new workers at its plant in Grenoble to cope with the reduced hour change, bringing the total work force in France to 2,300. Like Many other companies, Caterpillar chose an option in the law to let workers take more vacation days in lieu of reducing their weekly thirty-nine hours to thirty-five. But it quickly found that projects were delayed because too many people were out of the office on a given day. "If our only competition and customers came from France, it would not be an issue," says Laurant Rannaz, head of human resources for Caterpillar in France. "But they come from around the world." For some smaller companies that can't afford to hire new workers to make up for the reduction in hours, the results have been disastrous. In the wine cellar of her French seventeenth-century farmhouse near Dijon, Veronique Perrin worries that she may have to sell her longtime family vineyard. Her three workers no longer come in on Fridays as a result of the law change. Another company that provides labels for the 50,000 bottles of wine that she makes each year can no longer keep up with her demand because it has lost worker hours. However, for bigger companies, globalization allows the flexibility to move operations with greater work-hour flexibility to meet demand. Even though Europe boasts high-skilled, well-trained, and educated workers, companies say the shorter work hours make the higher costs for these workers even harder to justify. Therefore, companies have altered their workforce growth plans. For example, since the 1990s, French carmaker PSA Peugeot Citroen more than doubled the size of its workforce outside of France to 68,000, while its domestic workforce shrunk by 4,000. In Germany, Volkswagen AG expanded its foreign workforce by twothirds while keeping its domestic workforce at twenty-year-old levels. The company now makes its trademark Golf in Slovakia, Brazil, and South Africa in addition to Germany and all of its new Beetles in Mexico.

By reading this article, we can see that governments have a big role to play in the design of the workplace. Government is responsible for the hours worked; the overtime worked which have an impact on the design of work.

A true fact also, is that employees in certain culture prefer to work less in an office but rather work at home. Employees will then communicate their work to their superiors via telephone, fax or even internet. (Vance C. and Paik Y., 2006.)

The workplace has also to be designed regarding the labor market skill level. If knowledge is quite good in the area, the workplace can be designed with more technical complexity and less supervision. On the other side if there is less knowledge, the workplace will be designed with a more careful supervision, more training and less technical complexity. (Vance C. and Paik Y., 2006.)

"One U.S. multinational toy manufacturer found that its plant in Tijuana, Mexico, was able to design work with enough complexity and integration with technology to manufacture products there in three days. In China, where the local labor was abundant and much cheaper but did not, at that time, have the level of labor force skills to support work with such technical complexity, its operation took three weeks to produce the same products" (Vance C. and Paik Y., 2006.)

Technology is also a factor to take into consideration when implementing the workplace style. Where there is no access to technology, work must be designed in a more simplified way. Nowadays as technology becomes available more and more all around the world, the design of the workplace is evolving in relation to that. This is where comes from the loss of many jobs in the manufacturing department. With the development of technologies everywhere, even in the developing countries, people jobs are diminished because most of tasks are being automated. This fact also implies that workers have higher skills, from which selection becomes sharper. (Vance C. and Paik Y., 2006.)

TABLE 5. not every job can be successfully moved abroad (Thurm S., 2004)

# GLOBAL WORKFORCE CHALLENGE 5.2 NOT EVERY JOB CAN BE SUCCESSFULLY MOVED ABROAD

When sales of their security software slowed in 2001, ValiCert, Inc., began laying off engineers in Silicon Valley to "offshore" employment and hire replacements in India for a fraction of the labor cost. ValiCert expected to save millions annually while cranking out new online security software for banks, insurers, and government agencies. There were optimistic predictions that the company would cut its U.S. budget in half and hire twice as many people in India, and colleagues would swap work across the globe every twelve hours, putting more people on tasks to complete them sooner. But what actually happened was different.

The Indian engineers, who knew little about ValiCert's software or how it was used, omitted features that U.S. customers considered standard. The software had to be rewritten in Silicon Valley, delaying its release by months. U.S. programmers, accustomed to quick chats over cubicle walls, spent months writing detailed instructions for tasks assigned overseas, delaying new products. Fear and distrust thrived as ValiCert's finances deteriorated, and co-workers, fourteen time zones apart, exchanged curt emails. Due to its floundering, a key project that had been offshored to employees in India was brought back to the United States, a move that irritated some Indian employees. Shifting work to India eventually did help cut ValiCert's engineering costs by two-thirds, keeping the company and its major products alive—and saving sixty-five positions that remained in the United States. But the company still experienced a difficult period of instability and doubt and recovered only after its executives significantly refined the company's global division of labor. The successful formula that emerged was to assign the India team bigger projects rather than tasks requiring continual interaction with U.S. counterparts. The crucial creative job of crafting new products and features stayed in Silicon Valley. In the end, exporting some jobs ultimately led to adding a small but important number of new, higher-level positions in the United States. One of these new hires was Brent Haines, a software architect charged largely with coordinating the work of the U.S. and India teams. This responsibility often means exchanging e-mail from home with engineers in India between 11 P.M. and 3 A.M. California time, as Mr. Haines reviews programming code and suggests changes. Such collaboration requires extensive planning, he says, "something very unnatural to people in software."

With this article, we can see that it is not always a success to transfer part of your company abroad for financial reasons. Culture should have been taken into consideration. The challenge here is that outsourced employees from abroad are not highly committed to the company and moreover they lack identification with the company product and service.

#### 3. HUMAN RESSOURCE MANAGEMENT AND CULTURE

Since the beginning it was said that humans are resources to companies. Humans are considered as capital or raw materials. Humans represent values that must be expanded and exploited. On the other side, more social, there is the collaborative view. (Scheider S. and Barsoux J-L., 2003.)

There are differences between the American view and European view to the human resource management. In the United States, the human resource management relies on psychology and sociology, which have different hypothesis regarding the nature of the relationship between employees and organizations. (Scheider S. and Barsoux J-L., 2003.)

Motivate employees in the United States asks for a lot of attention. Human resource manager has then adopted the performance appraisal system which motivates employees since they are rewarded regarding their own performance. All around Europe, human resource managers have developed a social basis, which pays more attention to the employees, the economic context, the political context, and the nature of the relationship between the government, unions and management. The major worry is to know who is going to get the responsibility to decide, to lead efforts, to encourage industrial democracy and industrial policy. The employment contract used a reference for the relationship between the employer and employee has some divergences regarding the legal and psychological terms. (Scheider S. and Barsoux J-L., 2003.)

At work, from the human resource department:

First step is the selection. The selection is the most critical part since you have to find a person who fits into the culture and the position even though this person will be unfamiliar with the local culture, local work management and local employees. The international recruitments should be based on the understanding of the equivalence of the different labor pools. Education plays a big role in defining who has the right profile. A sample of questions and answers has to be realized in order to select better the future employees. Some examples of questions: Do the country recruit employees the same way as the company does it in its own country? How to get involved with partners? Who is valued and why? (Scheider S. and Barsoux J-L., 2003.) The second step is the socialization. Socialization means how employees get along with the organizational culture. Socialization in other terms means the procedure by which new employees adopt the organizational culture and acknowledge about values and behavior from the company. There are many ways to diversify socialization in order to build up the personality of everyone and pass on the importance of the hierarchy. Visits, social events, company rituals and seminars correspond to opportunities for socialization. Some questions have to be answered to better socialize with future employees. Should managers at the local operation blend in with the local environment or do we want to differentiate ourselves? Would a difference of values and attitudes inhibit internal dialogue? How do local norms/expectations regarding socialization differ from home country policy? (Scheider S. and Barsoux J-L., 2003.)

The third step is the training. The point of view of training changes also according to culture. Training, thought by professional, permits employees to get familiar with tasks to be accomplished. Who should decide to be trained, the employee or the company imposes it? The way of training employees is also very important. According to culture, it is better to check for different methods, group assessment, theoretical session, practical session, discussions, case studies, computer based training, etc. Some questions have to be answered to better train future employees. What sort of knowledge acquisition is valued by the local organization? What does this mean for the nature and content of training sessions and who will be attending? (Scheider S. and Barsoux J-L., 2003.)

Performance appraisal is the next step. Performance appraisal means to set goals, measure outcomes, and provide feedbacks to improve future performance. Now analyzing the two terms separately, performance may be considered as what is done, achieved. Then appraisal is considered when what is done, the performance, has been reached objectively. What counts is then results and not personality. In some countries this may not work. Some questions have to be answered to better appraise the performance of future employees. Is there a marked difference between the evaluations of performance from home country policy? Does the local organization depersonalize negative feedbacks without demotivate the employees? Companies compensate, even reward their employees but who and how? Different cultures attach values to different types of rewards and vary to the extent to which they believe reward has to be individual or collective. The preference for financial or non-financial reward is also culturally oriented. Some questions have to be answered to better employees. Is it the

aim to instill competition, information sharing or individual initiative? Can these be encouraged by other than financial rewards? (Scheider S. and Barsoux J-L., 2003.)

Companies have such different policies and wants concerning the development of their employees. Some questions have to be answered to better develop the career of future employees. To what extent do company career paths favor some cultures over others? Are there unintended biases in the identification of high potentials? (Scheider S. and Barsoux J-L., 2003.)

## 4. CULTURE EFFECT ON TOURISM AND HOSPITALITY MANAGEMENT

In this subchapter a specific sector; the tourism and hospitality sector will be analyzed. This sector involves the hotels, restaurants, pubs, bars, contract food service providers, membership clubs, events, gambling, travel services, tourist services, visitor attractions, youth hostels, holiday parks, self-catering accommodation and hospitality services. Within this broad range, there is a massive diversity of jobs generated. (Jamal T. and Robinson M., 2012.)

Employment in the tourism and hospitality sector is a lot seen as bad because of those realities:

- low wages
- unsocial hours
- overrepresentation of women and ethnic minorities in low level operative positions
- little or no trade union presence
- high labor turnover
- Poor or non-existent career structures.

The good side of working within the tourism and hospitality sector is that you generally have a motivated team to work with, hotels reward and cheer their employee, international colleagues, available trainings, and available educational program. (Jamal T. and Robinson M., 2012.)

International guests, on business or leisure trips are often willing to see a mutual understanding about their values and beliefs by the service provider. If the service provider does not meet the expectations of the international guest, a cross cultural conflict may happen. The cultural differences may lead to unsatisfied guests, frustrated service provider and lost business. Those cultural misunderstandings can be avoided because the hospitality industry has enough resources to do so. (Jamal T. and Robinson M., 2012.)

## 4.1. The importance of culture

Researches have shown that in the tourism industry culture matters regarding people behaviour in organizations. It is not advised then to bring leadership styles, communication patterns and motivation techniques from one country to another because problems could arise. What matter are national and ethnic cultures because they determine people's behaviour. (Nickson D., 2007.)

The relation that multinational chain has with the national system in each host country will face tension between their activities. Multinational chains want to keep and expand their brand and management style consistently around the world. On the other side if multinational chain wants to work effectively locally, they will have to adapt their management style to local culture and local requirements. (Nickson D., 2007.)

In the hospitality industry the importance of the human resource management is promoted in order to be successful regarding the organization in itself and its competitors. With globalization, in the future multinational chains will increase which will drive to a few more need of standardization of services since multinational chains are looking for greater efficiency, productivity and profitability. Culture has its own place and importance in each company. Culture influences as well the behavior employees have at work. (Nickson D., 2007.)

Within the tourism and hospitality department one of the values will be regarded as motivating employees buy in the guests care and service quality initiative, which organizations see as a form of competitive advantage in the crowded marketplace. This procedure of to motivate employees to buy in guests will influence the practices of human resource, like recruitment and selection, training and remuneration. To give an example in the tourism and hospitality field, the person recruited and selected has to suit in the local culture. (Nickson D., 2007.)

It is done by many companies to exemplifying main values within the organization, looking for achievements done and actions of cultural heroes, such as the founder of an organization. It is always delicate to force employees to engage themselves to adopt multinational companies' values, beliefs and attitudes. (Nickson D., 2007.)

Companies should not try to force cultural changes of basic assumptions in a foreign country. Evidently, employees will work with different mechanisms but always in the willingness to reach the right behavior. The mechanisms can be defined as cultural ones or the use of other means of control. The challenge of managing diversity lies in encountering the needs of the different cultures and to sensibilize employees and managers to the differences associated with gender, race, age and nationality in order to maximize the potential productivity of all employees. Managing diversity helps employees maximize their own potential and contribution to the organization. The aim of this is to not exclude anyone but include a large scope of people. (Nickson D., 2007.) Issues of movement within an organization, the culture of an organization and meeting business objectives should always stay main key points to focus on. Those key points are major concerns for managers who have to deal with cultural diversity. In the tourism and hospitality field, equal opportunities have always been a hot topic. Some groups such as women, ethnic minorities and people with disabilities are feeling discriminated in this special field. The accent has to be directed toward moral and ethical issues and not toward culture change and the meeting of business objective promised. This issue is related to the human resource department. (Nickson D., 2007.)

Tourism and hospitality sector is almost a unique sector providing multicultural interface at a variety of levels and in many situations, simultaneously. It is an everyday experience for an Italian visitor in China to be checked in into a hotel by an English receptionist, supervised by an Australian front office manager in a hotel owned by Middle Eastern financial interests managed by an American hotel multinational who have appointed a German as general manager to the property. (Nickson D., 2007.)

### 4.2. Customer Service culture

Managers can shout at their employees or encourage them. The productivity of their employees may be the same. When you are encouraged you do your work with pleasure, when someone shouts at you to do your work, you do by fear that this situation happens again. There is in fact more than one way to get things done. What counts it is what and how you communicate with your employees. Communication is a key point here. Employees will make the guests feel the way managers make them feel. Moreover if communication is open, employees are more willing to learn more about operations and improve them. (Granered E., 2008.)

There is a clear link between employee satisfaction and customer service quality. When managers train their employees, it is because they want the employees to do a better job. Managers want to show off they have the best employees. Managers want that the hotel keeps a good image with positive and competent personnel. Employees reflect the company image. Managers are responsible to create this reflection daily.

Shared beliefs on a banner are a way to cheer up your employees. Managers need to create an ambiance which corresponds to the culture of the employees in order to motivate them in the right way. (Granered E., 2008.)

Because good customer service culture is culturally determined, the approach you choose regarding the improvement of the management style depends on the location of your hotel. Managers have the choice between the directive and the educational approach to improve the customer service. The directive approach is giving clear directions to follow but without explanations. The educational approach is teaching employees about the different kind of situations and proposes solutions. In most cases, the largest power distance and the more masculine the culture is, the closer employees will be with the directive approach. On the reverse side the less power distance and the more feminine the culture is, the closer employees will be with the educational approach. (Granered E., 2008.)

Improving the communication goes with improving the culture. Employees who feel valued will improve their quality of work. Rewarding has to be considered carefully. In every culture there are do's and don'ts. (Granered E., 2008.)

#### 4.3. The role of employees in tourism

Tourism work includes diversity. We can talk about horizontal and vertical terms. The horizontal term refers to the very wide range of jobs available. This range goes from the accommodation department, the food and beverage department, the IT department, the housekeeping department, etc. Vertical term refers to the hierarchy of the employees. Going from unskilled employees to skilled employees, the majority of employees are the unskilled, semi-skilled employees. They represent more than the half of a hotel staff. Management heads are few ones compared to the line employees. (Buhalis D. and Costa C., 2006.)

The impact of globalization on the tourism industry is conducted by three factors: the technological, political and economic. Globalization has a great influence on the workers in the tourism industry. The industry is directed toward the creation of a wider range of skills. Employees will be asked to be multi-functional. Employees should be able to work from one department to another. (Buhalis D. and Costa C., 2006.)

### 4.4. Human Resource Management

The globalization has a great influence on the human resource management in the tourism industry. Nowadays people travel more and more, recruitment is not done anymore only on a national scale but also on an international scale. To recruit internationally, the tourism industry will have to use global media rather than national media. Selecting candidates also evolves due to globalization. (Nickson D., 2007.)

There are less and less face to face interviews due to long distance and more electronically selection procedures. The challenge is to match employee skills with the ever changing environment. In the tourism industry, employees are asked to respond quickly to the changing service requirements. (Nickson D., 2007.)

There are pressures present in the tourism industry from the globalization which have implications for the human resource department, especially when dealing with culture. One of these pressures is the challenge of relocation of employees and the sociocultural aspect of the employees working away from home. Another pressure is the new trend natural environment tourism which implies a demand of indigenous employees who can better deliver original quality products and services. Last pressure is based on the new wave of high skilled tourists, who are more experienced and always expect higher quality products and services. (Nickson D., 2007.)

This table represents the different kinds of managers you can encounter nowadays in every multi international company. It shows the advantages and disadvantages.

TABLE 6. The emergence of International Human Resource Management (Nickson D., 2007.)

	Advantages	Disadvantages
PCN Parent country national	-the familiarity with the home offices goals, objec- tives, policies and practices -effective liaison and com- munication with home office personnel	-difficulty of adapting to foreign language and the socio economic political cultural and legal environ- ment -excessive cost of selecting training and maintaining expatriates managers and their families abroad -family adjustment problem
HCN	familiarity with the socio	-difficulties in exercising

Host country nationals	economic political and legal environment and with busi- ness practices in the host country -lower cost incurred in hir- ing HCN -opportunities for advance- ment of local nationals and therefore increases motiva- tion and commitment -responsive to demands for localization of subsidiary operation	effective control over the subsidiaries operation -communication difficulties in dealing with home office personnel -lack of opportunities for home country nationals to gain cross cultural experi- ence
TCN Third country nationals	-best compromise between securing needed technical and managerial expertise and adapting to a foreign socio economic and cultural environment -career international busi- ness managers -might be better informed about host environment than PCN	-host countries sensitivity with respect to nationals of specific countries -local nationals are imped- ed in their efforts to up- grade their own ranks and assume responsible posi- tions in the multinational subsidiaries

Having a parent country national manager is good for the familiarity he has with the company procedures but he has to adapt to foreign country. Having a host country national manager on the reverse side is from the country, so there is no problem of adaptation to the country but has to learn about the procedure and philosophy of the company. The third country national as said may be the best because they usually are international managers and are neither parent country or host country managers which gives them a certain advantage of having a more global and detached overview of the situation.

Here below are four methods to select candidates for job openings.

Ethnocentric Approach.

This approach concerns multinational companies which fill in the job positions in foreign operations by parent country nation's people. This is best used at the earlier stage of internationalization of companies, because those PCN are able to transmit easier to the local office the company culture, procedures and methods. (Vance C. and Paik Y., 2006.)

#### **Polycentric Approach**

This approach concerns multinational companies which fill in the jobs positions in foreign operations by host country nation people. This is best used when the multinational companies want managers able to deal with the local competition. Companies also gain the support and confidence of the local government. (Vance C. and Paik Y., 2006.)

#### **Regiocentric Approach**

This approach concerns multinational companies which fill in the jobs positions in foreign operations by managers from multiple country areas. This is best used to have a larger overview of the national competitors and to deal more easily with the local employees and their values. (Vance C. and Paik Y., 2006.)

#### Geocentric Approach

This approach concerns multinational companies which fill in the jobs positions in foreign operations by the best managers who suit the position. This is best used when the product or service is less related to cultural differentiation. This approach develops an increased global leadership for host country nation managers who were held back by the ethnocentric and polycentric approach. (Vance C. and Paik Y., 2006.)

### 5. THE RESEARCH PROCESS AND METHOD

The quantitative research is a calculation that must be objective, quantitative and statistically valid. The person making the quantitative research calculates a number of people from a population who will represent the scientifically calculated sample. A questionnaire will be distributed among those people to analyze the frequency and percentage of their responses. By writing a thesis, a research has to be made. Here in this case, it is the quantitative research that has been chosen to analyze the impact of culture on business management. First, you have to study the topic deeply to be able to write off the questions needed in the survey. The questions have to be related with the content of the thesis. The number of respondents should not be too small as it would lower the credibility. (Cooper D. and Schindler P., 1998.)

### Research Model

Quantitative research includes surveys and customer questionnaires. It allows companies to improve their products and services by enabling them to make informed decisions. For deeper information, it is useful to conduct interviews with the respondents. If the aim of your survey is rather bread than deep, the use of a questionnaire is best used. It consists of a single document gathering a list of closed questions to which customers have to answer. The major advantage is that with this questionnaire customers will answer to the same list of questions and it will be easier to compare. Quantitative research is made up of questions that will tell us about customer's opinions in an organized way. Hard facts and statistics can be then deducted from the naire. Questionnaires are usually build up on close ended questions which allow customers to select their answers from a list and do not allow them diversify by elaborating their answer. This is the full structured questionnaire. The semi structured questionnaire will have some open ended questions. The research is part of the descriptive research which means that we will answer questions regarding the current status of the subjects of the study. It will determine and report how the way things are. (Buglear J., 2012.)

Writing a questionnaire is not an easy task. Style and being concrete and straight will help customers to answer efficiently. The sequence of the questions should be logic. Personal questions should be asked first. One of the possible ways is to ask questions

is with close ended questions by giving a rating on a scale 1-5, strong agreement 1 strong disagreement 5. (Buglear J., 2012.)

When considering collecting data from people, time issue has to be involved. You do not control the time and actions of other people. Be prepared on time and think about the best appropriate time to contact them. Be concise on your questions in order that people understand them and answer them correctly. The participants have to be categorized and analyzed. When a lot of participants are involved, it is easier to create a clearer image of the behavior of the customers. (Buglear J., 2012.)

## Sources and collection of Data

You should not spread questionnaires or gather data from unknown sources. The best way to gather data and get answers is to go directly on the field by visiting your correspondents. To contact them electronically is efficient and quick but you lose the control on their actions and time. The questionnaire sent by email should be accompanied by a note explaining the importance to participate for them and for the research. For elderly people, it may be more appropriate to contact them by post. Whatever the method used to reach your respondents, you should write in a formal and respectful business style to them. Data can be gathered from different ways. In this thesis, a written survey will be placed on line and spread around the different managers of the Rocco Forte Family Chain. (Cooper D. and Schindler P., 1998.)

## Analysis of Data

A good thing with quantitative data is that you can follow the trends by repeating your survey along time. You can evaluate how opinions are evolving and how new initiatives are perceived. For that purpose, questions should remain the same during the surveys at different time periods. (Cooper D. and Schindler P., 1998.)

Gathering information from the survey was one part. Analyzing the information is a second part. In a complex survey, it can be very difficult to explore all the facts and give a meaning to them. However, a simple survey is efficient in the way that it is easier to compare and analyze the facts. (Cooper D. and Schindler P., 1998.)

### Reliability and Validity

Reliability corresponds to the consistence of results. Reliability is tested by repeating the survey under same circumstances and checking how similar the results are. An alternative form to check reliability is to test the similarity of the results when the research is made in a different form. Internal consistency reliability verifies if the individual transformed well the data gathered into correct facts. (Buglear J., 2012.)

Validity is to verify if the research results combines with the research intent. Validity includes reliability. A valid measure must be reliable. But the reverse does not have to exist. Reliability does not necessarily include validity. (Buglear J., 2012.)

Two main categories are described into the validity dimension: the internal validity and external validity. The Internal Validity corresponds to the core research elements and how they represent fairly the results. The External Validity corresponds to extendibility that research themes can be applied to the real world. (Buglear J., 2012.)

### Rocco Forte Hotel Chain

Rocco Forte Hotel Chain owns 13 hotels around Europe and is going to open 4 new hotels in the upcoming years. Each of the hotels is designed regarded to the country culture.

Hotel de Rome, Berlin, Germany Hotel Amigo, Brussels, Belgium The Balmoral, Edinburgh, Scotland Hotel Savoy, Florence, Italy Villa Kennedy, Frankfurt, Germany Brown's Hotel, London, England The Lowry Hotel, Manchester, England The Charles Hotel, Munich, Germany The Augustine Hotel, Prague, Czech Republic Hotel de Russie, Rome, Italy Hotel Astoria, St Petersburg, Russia The Verdura Golf & Spa Resort, Sicily, Italy Rocco Forte Hotel Abu Dhabi, UAE

Future Openings: Marrakech Luxor Jeddah

Cairo

The Rocco Forte Hotel Chain provides high level standing of services, luxurious rooms, fine dining experiences and class-leading facilities. The Rocco Forte Hotel Chain has its properties situated in the heart of cities with easy access to the center, shopping and famous landmarks and transport facilities. The philosophy of the Rocco Forte Hotel Chain comes directly from a message of Sir Rocco Forte.

Sir Rocco Forte wrote this note which explains well the chain mission and vision:

"Stay at any Rocco Forte hotel and you're assured of the highest quality accommodation, facilities and services. As a frequent traveler myself I am well aware that standards of service can make all the difference to your visit. So by concentrating on a smaller number of hotels I can remain personally involved in their running to ensure our high standards are maintained for you. (Forte R., 2012.)"

"All of our staff undergo a comprehensive training programme when they join the company to ensure they understand the philosophy of Rocco Forte Hotels – which is dedicated to ensuring you have the best possible experience. From the moment you make your reservation to the time of your departure they will provide the warm, attentive service you should expect from one of the world's leading luxury hotel brands. (Forte R., 2012.)"

"You should find your every need has been anticipated. However, if you find some detail has been overlooked or there is anything we can do to make your stay more comfortable; please do not hesitate to inform us. (Forte R., 2012.) "

Sir Rocco Forte has been explaining that the main asset of the Rocco Forte hotel Chain is their employees. The team of employees they have got is high skilled and willing to share Sir Rocco Forte's philosophy of creating the world's leading luxury hotel brand.

# 5.1. <u>Analysis of the survey</u>

This survey is based on 32 closed ended questions. Each of the questions is compulsory to answer. Every question is related to the thesis topic: how culture affects management. The survey is only answered by the employees of the hotel chain Rocco Forte Family. The aim of this survey is to analyse how culture affects management within one specific chain. The survey has been sent to 40 emails. We have got 26 managers taking their time to answer the survey. It means that 65% of the persons asked, answered. It shows little interest from the managers into university surveys. What we can say is that the ones, who did it, took the time to answer all of the questions by their own will. The respondents were all managers in different levels.

Answers are ranged from a strongly disagree to a strongly agree with a possibility of neither agree or neither disagree choice. There are 5 answers choices. The one person taking the survey has always the choice between those five answers. The aim of this is to evaluate how many people think alike, where is the majority, the minority and on which question people are hesitating. At the end, I analysed each question separately with their own answers. Then I analysed the themed questions together to have a more global view on a specific theme. At the end I made a conclusion of all. The survey has no collected personal information because my objective was to focus on how culture was viewed and affected throughout the Chain.

Hofstede related questions:

Questions 1-4

Question 1: 42% agree and 42% disagree concerning the large power distance. Question 2: 50% disagree and 34% strongly disagree that their image is more I than we. Question 3: 46% agree and 11% strongly agree to always control the future. Question 4: 42% disagree and 34% strongly disagree for not having fun at work.

We can see that the employees do not think the same about the power distance, one of the characteristic developed by Hofstede (2001). It is balanced between the employees who want to work with a large power distance and the other ones for which the power distance can be smaller. We have more employees who reject the idea of a large power distance, probably due to the organizational culture which is based on a family business primarily.

Employees disagree in a large majority concerning their image at work. They are working as a team and not as individual. We can refer this also to the organizational culture which is based on a family business primarily. Regarding Hofstede (2001) theory the employees are more collectivist. The collectivism represents a preference for a tightlyknit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty.

A large majority of the employees try to always control the future while for the others you should not always consider the time but maybe others factors also.

Employees of the company mostly agree on the fact that work should be a place of work and also of fun. They are mostly social people only a few of them who said that fun has no place in the work frame. Here we can again notice that employees care about each other.

Fons Trompenaars related questions: Questions 5-8

Question 5: 38% agree and 38% disagree that rules take over the claims of friends. Question 6: 42% agree and 8% strongly agree that relationship between elements is more important than individual elements.

Question 7: 50% agree and 8% strongly agree that achieved status must always be proven.

Question 8: 42% agree and 27% disagree that people structure time sequentially.

As Fons Trompenaars (1998) analyzed the difference between the sequential times versus the synchronic times, we can see here that employees are more oriented to the sequential frame doing one things at one time.

Business should be done within a year. Even though time was not a factor they said in cross cultural dilemmas here they have a strong agreement that business should be done within a year.

Regarding Fons Trompenaars (1998) theory employees are more pluralistic in which relationships between people are important. Some of them on the reverse side consider work more important that the relations between employees who may come from the highest managers point of view.

Personal strategies for managing across cultures:

Question 20

Question 20: 42% strongly agree and 23% agree that you should not judge others based on your own culture.

Most of the employees consider that knowing their own culture first helps to deal with other cultures. It shows that people are aware of the importance of knowing their own culture. Employees have the conscience that they have to make an effort to understand what their co-workers are doing and why they are doing it that way. Employees know that every culture is different and that people act differently according to their values. This means that employees should analyse the actions of others with their mind set in the other culture. On the same side employees agree on the fact that they should blend in with the local environment for business.

The impact of culture on business from a human point of view:

## Question 9

Question 9: 30% agree and 46% disagree that you are first optimist, then frustrated and finally try to adapt yourself when working with people from other cultures.

Employees do not feel the same regarding how they manage their attitude in a foreign country. Some are first optimist, others are not. Some get frustrated, others do not. Some result by adapting themselves, others do not. This shows that the ability to encounter a new situation in a foreign country depends on different individual personal factors.

#### Facing Cultural dilemmas:

Questions 11-18

Question 11: 46% agree and 30% disagree to make an effort to understand your own culture first to better understand the other's culture.

Question 12: 50% agree and 38% strongly agree that humour helps to cross the cultural differences.

Question 13: 54% agree and 38% strongly agree to use a ladder of abstraction to understand other's culture.

Question 14: 46% agree and 27% strongly agree that relationship with people is the greatest dilemmas encountered when dealing with culture.

Question 15: 54% neither agree nor disagree and 27% disagree that relationship with time is the greatest dilemmas encountered when dealing with culture.

Question 16: 42% neither agree nor disagree and 34% agree that relationship with the environment is the greatest dilemmas encountered when dealing with culture.

Question 17: 54% agree and 30% strongly agree that cross-cultural trainings are not enough present in companies.

Question 18: 42% neither agrees nor disagrees and 10% agree that people do not have to be considered as one theory but rather have to be considered as a process.

Employees do not see it necessary to understand their own culture first to better understand the culture of their peers. Employees on the other side consider important to lay back and use a ladder of abstraction to understand their peers coming from other culture. Employees mainly think the cross cultural barrier is due to the people and not to the time or the relation between people and the environment. Employees associate cultural dilemmas directly with people. Employees are willing to have more cross cultural trainings. The majority of the employees think that humour helps to cross the cultural barrier.

The impact of culture on business from a business point of view:

Question 10

Question 10: 34% neither agrees nor disagrees and 34% disagree that the logo and the reporting procedures are the only common references for multi international companies.

They are group oriented, need identification, count on others. It is Important to respect and cherish employees. Employees think that multi international companies have more than only the reporting procedures and the logo in common. They think more familiarly concerning companies. Don't be too diplomatic but honest would be how employees act in this company.

Work experience:

Question 19

Question 19: 50% agree and 11% strongly agree that mobility is the main point for international managers. Mobility is considered by employees as a factor for international manager and as the main point.

Human resource management and culture:

Questions 21-32

Question 21: 53% agree and 26% strongly agree that managers should blend with the local environment at the local operation.

Question 22: 46% agree and 38% neither agree nor disagree that difference of values and attitudes will inhibit internal dialogue.

Question 23: 53% disagree and 19% strongly disagree to be encouraged only by financial reward.

Question 24: 50% disagree and 23% agree that employees should decide if they attend or not cultural training sessions.

Question 25: cfr analysis, no percentage

Question 26: 46% agrees and 26% disagree that is important to let others know how they feel.

Question 27: 53% agrees and 26% strongly agree that employees need to identify with a group.

Question 28: 38% disagrees and 30% agree that people at higher levels should expect more privileges than those at lower levels.

Question 29: 26% agree and 23% strongly agree what matter most is what the future holds.

Question 30: 53% agrees and 15% strongly agree that the most successful businesses are always changing things, even if performance is already satisfactory.

Question 31: 62% strongly agrees and 38% agree that good managers take active control of problem situations and resolve them quickly.

Question 32: 73% agrees and 23% strongly agree that it is important to honour traditions.

Most of employees agree that difference of values and attitudes will inhibit internal dialogue. Majority of employees say that they do not have enough cross cultural training available and they recognize that cross cultural training should be compulsory for everyone. Employees quite agree that the most realistic time horizon is between one quarter of a year and one year. However when it concerns the long term about five to ten years opinions is more divergent then. Employees mostly agree that managers should blend with local structure. They have balanced feelings concerning the rewards. They consider everyone as a big family they do not see why some people get privileges. Money is not the motivation apparently. It is not a materialistic company. Employees quite agree on the fact that status achieved must be deserved. In that case the following confirms that higher positions have higher responsibilities.

### In the tourism and hospitality field:

Regarding the hotel and tourism theoretical part I wrote, we can make some analysis too. First of all, we have to establish the context. Here we talk about a hotel chain owned by a family.

In theory we have seen that national and ethnic cultures in the tourism industry matter because they determine employee's behaviour. This is a true fact with the survey conducted in this thesis. We have seen that employees had quite different answers corresponding to their own national and ethnic cultures. And you can see that if you do not take into consideration their culture, employees get frustrated. Yes in the tourism industry culture matters.

There is still progress to make on the trainings. Employees said that there is not enough training available. It should be from a high importance to the upper management to consider giving trainings to their employees first to make them feel valued and second to improve the quality of the work. Employees want to make training compulsory, it should not be a choice but an obligation. With all the ever changing trends, employees need to be trained regularly. In contrast with theory, there are not enough managers willing to show off their best employees.

Employees have this need of proving again and again that they deserve a job position. It is even truer in the tourism industry where inequalities are more than frequent and minorities are the majority.

You can see that employees in the hotel industry are really sensitive and social. They are not only motivated by financial rewards. They think that humour help to cross the cultural barrier. It is important for them to honour traditions. Employees need to identify with a group. It is important for the employees to let others people know how they feel.

The image at work is more we than I. They do their work but they like having fun as well. Finally they are more collectivist.

The customer service paragraph in the theory about encouraging employees totally fits in with the survey. It says you can get the work done either by encouraging your employees or by shouting at them. But the main point is communication and the way you choose to treat your employees, they will treat the guests the same way. They agree all that the use of humour helps to go across cultural barrier. This means that employees care a lot on the how the communication is done. It affects them personally. Even if we analyse further, we can see that the greatest dilemma encountered with dealing with cultural differences is with people.

The role of employees in the tourism industry has to be discussed here. In theory we have the horizontal line which represents the wide range of jobs available. The vertical line is on the other side the hierarchy of the employees. Tourism industry is known for having the majority of the unskilled employees or semi-skilled employees. Here with the survey we can see that employees are collectivist and that they quite disagree that they should be a large power distance between upper and lower employee's jobs positions.

We can say that they are some variables between the theory and the survey answers. I have been analyzing each of the questions with their answers. I have analyzed on different point of view, the business and the tourism. Reality as the survey shows that some theory has to be updated and some are still right.

## 6. CONCLUSION AND RECOMMENDATIONS

This thesis has been analyzing the theoretical and realistic part of the topic how culture affects management. I have been through a lot of readings which helped me to have a clearer view of the topic. I mainly focused on books; I did use the internet only for some information. They are already lots of studies on the subject. It enriched my knowledge and analytical tools to go through and compare the different books opinions. I learned a lot on how to manage culture in the business field.

I think this topic has a future since nowadays people are travelling more, companies are expanding quicker and everywhere into the world, families are made of different nationalities, etc. This thesis helps employees to understand cultural differences, to be aware on their work methods, adopt strategies and reinforce the human resource department. The thesis theory concerns all type of business and has a more detailed analysis about the hospitality field.

I have come to a conclusion with the survey that corporate culture can greatly influence the employee's cultures. The chain I decided to analyze is a family owned chain and in the answers received in the survey we can see that people care each other's and that their values are close to families values.

Concerning the different dilemmas that employees can face from a cultural point of view, I can say that there is a general lack of awareness. This lack of awareness leads to misunderstandings, under valorization and unrespect. Different solutions are available to improve the quality of international managers. Cultural training is one of them, learning the local language, knowing your own culture and having common standards to agree on the business work.

I learned that wherever you come from, you will face cultural difficulties because even though you are willing to adapt yourself the other party has to communicate also. I learned that culture is communication. Communication is a two way process which involve two parties willing to share and understand the other. Communication has to be taken into consideration carefully because what one person means with one word, one action or attitude may not have the same meaning for the others. Culture has led to misunderstanding and should be given more attention for a better management. To wrap up this thesis, I have to re consider my work. If I had more time, I would have done a deeper analysis of the subject by interviewing personally some of the managers of the Rocco Forte Chain to get more concrete and detailed results on the subject. In the survey I would have asked detailed information as the nationality and the gender to be able to compare the answers based on other variables.

There are other ways to explore this subject as well. When I wrote it, other subjects came into my mind as how does it work legally? Does the law have an impact on how culture affects management? Another interesting topic to be searched is who concretely are the minorities?

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# Appendix

Questionnaire Rocco Forte Family Chain.

# Hofstede related questions

1. Companies should always work with a hierarchical order where the power distance is large and in which everybody has a place and which needs no further justification.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

2. Your image at work is more I than we.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

3. Do you always try to control the future?

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

4. Work is work, no time for having fun.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

# Trompenaars related questions

5. General rules, codes, values and standards take over the needs and claims of friends and other relationships at work.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

6. Relationships between elements are more important than individual elements.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

 Achieved status must be proven time and time again and status will be given accordingly.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

8. People structure time sequentially and do things one at a time.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

The impact of culture on business from a human point of view

9. When working with people coming from other cultures, you are first optimist, and then frustrated and finally you try to adapt yourself.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

The impact of culture on business from a business point of view

10. The only common references you can see between multi international companies that have subsidiaries in Europe, in Asia, in America or in Middle East are the reporting procedures and the logo.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

# Facing Cultural dilemmas

11. You have to make an effort to understand your own culture and approach the one of your co-worker.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

12. The use of humor helps people to go across cultural differences without affecting them personally.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

13. What language means in one culture may have a different meaning in another culture. You should be able to use a ladder of abstraction in order to understand the meaning of what is being said, asked.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

14. The greatest dilemmas encountered when dealing with cultural differences is in relationship with people.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

15. The greatest dilemmas encountered when dealing with cultural differences is in relationship to time.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

16. The greatest dilemmas encountered when dealing with cultural differences is in relation between the people and the environment.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

17. Cross cultural training is not enough present in companies.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

18. We always tend to attribute our theory to a person, a place, a thing instead we should attribute them to present participles, which transforms them into processes.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

### Work experience

19. Mobility is known as the main point for international managers.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

#### Personal strategies for managing across cultures

20. You should not judge what is good or bad in the foreign country based on you own culture moral.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

#### Human resource management and culture

21. Managers should at the local operation blend in with the local environment.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

22. Differences of values and attitudes will inhibit internal dialogue.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

23. You are encouraged only by financial rewards.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

24. Employees should decide if they want to attend training sessions.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

25. The most realistic time horizon for organizational planning is:

25a. One quarter of a year

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

25b. One year

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

25c. Five years

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

25d. Ten years or more

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

- 26. It's important for people to let others know exactly how they feel.
  □ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree
- 27. People need to identify with a group.
  □ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree
- 28. People at higher levels should expect to have more privileges than those at lower levels.□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree
- 29. What matters most is what the future holds.□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree
- 30. The most successful businesses are always changing things, even if performance is satisfactory already.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree

- 31. Good managers take active control of problem situations and resolve them quickly.
  □ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree
- 32. It is important to honor traditions.

□ Strongly Disagree □ Disagree □ Neither Agree nor Disagree □ Agree □ Strongly Agree