

# **Leadership strategies for a multicultural work environment in hotels in Helsinki**

Anna Fredriksson

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<p><b>Author</b> Anna Fredriksson</p>	<p><b>Group or year of entry</b> HOSBA09</p>
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<p><b>Supervisor</b> Pirkko Salo</p>	
<p>This research focuses on determining what kind of leadership strategies are used in hotels in Helsinki for managing a multicultural work environment. Do the hotels have multicultural leadership strategies on the management level or can some kind of overall strategy be found only at the corporate level? Also, this thesis examines how the strategies are implemented in the everyday work. Furthermore, do the managers think there is need for a more precise multicultural management strategy in order to create a well functioning work environment?</p> <p>In this thesis, strategy is perceived both as the corporate strategy of an organization and as the operational strategy; tools and methods used in the everyday management. The study was conducted by in-depth interviewing six hotel/general managers in Helsinki. Besides the interviews the results were gathered with a Likert scale questionnaire that tested the multicultural management strategy level in hotels in Helsinki.</p> <p>Interestingly, the research revealed that most of the hotels did not have a multicultural management strategy and the managers did not see a need for having one. Moreover, the managers saw plenty of positive sides in having a multicultural team and most of the respondents did not experience managing a multicultural work environment challenging. Finally, the results revealed that the level of multicultural management in hotels in Helsinki is high.</p>	
<p><b>Keywords</b> Leadership strategy, multicultural, diversity, work environment, hotel management</p>	

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# 1 Introduction

This thesis examines multicultural leadership strategies in hotels in Helsinki. Multiculturalism is becoming a current topic in the hospitality field and many organizations are facing cross cultural issues daily in their work environment. Globalization along with changing demographic patterns increases the need of leaders with cultural understanding and knowledge of how to influence and lead people with different values, beliefs and expectations (Yukl 2013, 347). Moreover, globalization affects the dynamics in the workplace by changing behaviour, team composition and team dynamics as businesses are working with a more and more culturally diverse workforce (Dong & Liu 2010, 223-224). Significant changes in the workforce have taken place in workplaces in the recent years with organizations becoming increasingly diverse on various personal characteristics, especially on cultural diversity. In fact, organizations use diversity and multicultural teams as a way of increasing organizational efficiency (Lloyd & Härtel 2010). Therefore it is highly important to have both a skillful manager and the organizations support in terms of a multicultural strategy to be able to create a well-working multicultural team.

The topic of this research was selected due to the author's personal interest in multicultural issues. By experience, culture plays a significant role in organizations today. Organizations have a variety of people from different countries and cultures that need to be managed in a way to create a well-functioning environment. Especially when discussing the hotel industry, which is multicultural already due to the multinational customers, a leader with cross-cultural skills is certainly an asset to the organization. Mullins (2001, 66) states that a multi-cultural environment is a feature of the hotel industry and therefore awareness of various cultural characteristics of different ethnic groups assists the manager to understand the behaviour of the employees. The manager's personal values affect the organizations behaviour and culture again has a significant impact on the manager's values. In fact, "a manager with cross-cultural sensitivity and skills is in high demand in today's workforce." (Dong & Liu 2010, 224).

The main newspaper of Helsinki (Helsingin Sanomat), discusses in a recent article the importance of having educated immigrants working in Finland in the future. The discussion highlighted that a future challenge will be how to make the foreign persons adapt and become part of the society in order to keep the skilful employees in Finland. According to the article there are 130 000 foreign citizens living in Helsinki which is 9,3% of the population. The forecast is that in year 2030 the amount will grow to 20%. (Sjöholm & Mannila 2013.) A project, “Services 2020” (Palvelut 2020-hanke), conducted in years 2004-2006, forecasted what kind of knowledge the service industry will require in year 2020 in order to operate efficiently. The operational environment of the hospitality industry in Finland is expected to grow more international due to globalization. Also, competition will rise as the boundaries are awaited to disappear and the services are expected to develop due to more demanding clientele. Globalization will increase both the amount of foreign customers as the amount of foreign employees. (Järvinen, Vataja & Tuominen 2011, 26-28.)

There are many different variables affecting the multicultural leadership; individual differences of the leadership, team context, task content and organizational behaviour in different cultures. When a leader has acquired a basic knowledge of the main problems in the organization a cultural strategy can be built to face these problems in the everyday management. (Mäkilouko 2003, 14-15.) A planned cultural strategy in an organization allows more flexibility in the management rather than just relying on that the team develops solely. The cultural strategy develops through experience and discussions between the leader and employees. Further the cultural strategy can be seen as “a skill of the organization and not only of individual leaders.” (Mäkilouko 2003, 11).

## **1.1 Research question**

The research question for this study is: What kind of leadership strategies are used in hotels in Helsinki for improved management of a multicultural work environment?

Additional research questions are designed to specify and narrow the research problem:

- What kind of general (corporate) strategy does the organization have for multicultural issues?
- What kind of leadership strategies are used for multicultural management on the operational level?
- What kind of strategies are perceived efficient for managing a multicultural environment?

The research focuses on determining what kind of multicultural leadership strategies exist and if they are used in the everyday management of hotels in Helsinki. Strategy is researched and identified on different levels as it is perceived both as the corporate strategy of an organization and as the operational strategy that can be seen as leadership tools and methods used in the everyday management. In this research the assumption is that the organizations general strategy has an effect on the operational strategy, in other words that the hotel's general policies impact the leadership in several ways. The following figure 1, illustrates how strategy is perceived in this thesis.



Figure 1. Strategy (Fredriksson 2013)

The corporate strategy of an organization gives the overall guidelines of how the organization should work. The corporate-level strategy is associated with the overall scope of an organization in other words as how value is incorporated in the entire organization. (Johnson, Whittington & Scholes 2011, 7.) The management implements this strategy in their work and thus the corporate strategy impacts the work of a manager. However, there are many other factors influencing the strategy of a manager. The manager's personality, experience, culture and education are all factors that impact the work of leader. In fact, Mäkilouko (2003, 15) specifies that the leaders personality, skills and experience in similar situations are variables that have been found to modify the leadership strategy.

In this thesis we intend as the operational strategy e.g. the tools and methods the leader uses in his or her work to better lead the subordinates. The operational strategy deals with how the different components of an organization deliver the corporate strategy for instance in terms of processes and people (Johnson et al. 2011, 7). Thus, the operational strategy is the level where the leader adapts both the organizations corporate strategy and his or hers own leadership skills to create a well working work environment.

As this thesis concentrates on leadership strategies for better managing a multicultural work environment it is even more crucial that the leader is provided with concrete guidelines or instructions from the corporate strategy level of how to act in certain situations. Based on the literature, managing a multicultural team can be seen challenging and therefore there is need for skilful leaders. Furthermore, personal leadership skills are required at the operational level to be able to lead and guide the subordinates in an efficient way, despite all possible problems encountered with the multicultural team.

## **1.2 Hypothesis on the topic**

A hypothesis recounts or expresses a prediction of what the finding or findings of the research could be if the theory is correct and valid. In fact, a hypothesis can be seen as a guess about a problem's solution and as a link to prove whether what the theory



suggests is true. A hypothesis is a statement that's validity can be tested in the research itself. (Brotherton 2008, 90-91.)

The hypothesis of this research is that hotels in Helsinki do not have a clear leadership strategy for multicultural issues but there would be need for one to improve the multicultural work environment. Moreover the assumption in this study is that most hotels have a general strategy or policies that discuss multiculturalism or diversity, but these values are not submitted that well to the actual leadership and further to the subordinates.

### **1.3 Objectives and purpose of the research**

The main objective of this study is to find out what kind of leadership strategies are used in hotels in Helsinki for improved management of a multicultural work environment. The secondary objectives are 1) to examine what kind of corporate strategies the hotels have for multicultural issues, 2) to find out what kind of leadership strategies are used for multicultural issues on the operational level and 3) to understand what kind of multicultural management strategies are perceived efficient for managing a multicultural work environment.

This thesis examines the theories found in literature to find out what the situation of multicultural leadership is in hotels in Helsinki. The research was conducted by interviewing hotel and general managers in Helsinki to understand their perspective on the topic. The purpose of this research is to find out what the manager's opinion is about multicultural management strategies and if they believe them as necessary for the actual work. Furthermore the purpose is to highlight the importance of skilful multicultural management in order to lead multicultural teams efficiently. This thesis aims also at rising discussion about having multicultural strategies in hotels to be able to reach better results with the multicultural teams. Moreover, this research wants to point out the several benefits of having a multicultural team in a hotel environment. Finally, this thesis highlights that the organizations values about diversity and equality are important and should be taken into consideration in the everyday management.

## **2 Literature review**

The literature review concentrates on defining the main concepts of the study and presents the most relevant theories regarding the topic. The first part provides statistics and background information about foreign employees working in Finland.

Furthermore, the literature review defines the concept of leadership and culture that are then further linked with the concept multicultural leadership. Finally the literature review concentrates on defining strategy in the context of multicultural leadership strategies. Multicultural management tools and competences are presented in the final part.

### **2.1 Foreign employees in Finland**

Finnish Tourist Board defines tourism as “an industry with an intense employment effect” in Finland’s Tourism Strategy to 2020. In 2007 tourism business employed 130 500 people. The amount of employed persons in accommodation and restaurant services has increased by 37% in years 1995-2008. (Finnish Tourist Board, Finland’s Tourism Strategy to 2020, 7-8.) The amount of workers in Finland has been forecasted to decrease by 200 000 in the next ten years due to the aging population. Therefore discussion about hiring immigrants and foreign workers has risen among different sectors. However, it is important to remember, that foreign workforce is a broad concept that can mean foreign citizens living in Finland, immigrants or even foreigners that come to Finland to work from abroad. Along the foreign workforce that lives in Finland permanently there are many foreigners that work in Finland temporarily, and thus it is difficult to estimate the real amount of foreign workforce in Finland at the moment. Even though, there are no clear statistics about the amount of foreign workforce in Finland at the moment it can clearly be stated that the amount of workers with a foreign background has doubled or tripled in a decade. (Ruotsalainen 2009.)

According to the Confederation of Finnish Industries (2012) there were 24 000 foreign employees working in Finland in the end of 2011. Statistics Finland (2012) state that the amount of foreign workers in Finnish work places grew in year 2011. According to a research in 2011 there were approximately 41 000 persons working in Finland whose

permanent country of residence was not Finland. In year 2011 there were 21 000 persons working in Finland who's permanent residence was in Estonia, 3100 from Russia and 2400 from Poland. (Statistics Finland 2012.)

Confederation of Finnish Industries (EK) has examined in which kind of jobs the foreign employees in Finland are placed. In this case, a foreign employee means a person that is not a Finnish citizen. According to EK there are approximately 1000 foreign employees working in the hotel and restaurant industry, which is nearly 4% of all the employees. (Confederation of Finnish Industries 2012.) As the statistics indicate, both the growing need of employees and the rising amount of foreign workforce in Finland it is important to consider strategies and tools that can assist a manager in leading a multicultural work environment.

## **2.2 Defining leadership**

There is not one clear definition for leadership as it is such a wide concept and varies depending on the organization and the leaders own individual perspective of the concept. Most definitions state that leadership is influencing or guiding other people and giving a structure and facilitating the organization to work. Leadership is seen to be important for making organizations effective. (Yukl 2013, 18-19.)

Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives. (Yukl 2013, 23).

The exercise of influence by one member of a group or organization over other members to help the group or organization achieve its goals. (George & Jones 2012, 365.)

Mäkilouko (2003, 32) again sees leadership as directing the behavior of other people towards certain goals. In fact, leadership can be seen as the ability of the leader to obtain effective performance from the subordinates. Leadership can be explained as a relationship that a person uses to influence the actions and behavior of other people.

However, one has to remember that effective leadership requires a mutual leader-subordinate relationship (Mullins 2001, 311.)

Leadership can be both direct and indirect depending on the organization. Direct leadership is practiced e.g. when a leader contacts the employees directly for instance by sending emails, holding a speech or a meeting. One form of indirect leadership is called “cascading”, meaning that the high management, for instance the CEO, influences directly his staff from the middle management, to lower managers and to regular employees. This influencing can be seen as transmitting behavior and attitude changes among the organization. Moreover, indirect leadership can be seen as influencing the personnel by structural forms, formal programs and management systems set by the management. Furthermore, indirect leadership is the leaders influence on the organizational culture that consists of the shared values and beliefs of members of the organization. These values can be strengthened or changed by the leaders for instance by reward systems and management programs. (Yukl 2013, 21.)

The following figure 2, presents different leadership approaches that can be divided as individual or context based approaches. Each approach focuses on different aspects but summarized provide a better understanding of how to become an effective leader (George & Jones 2012, 366).

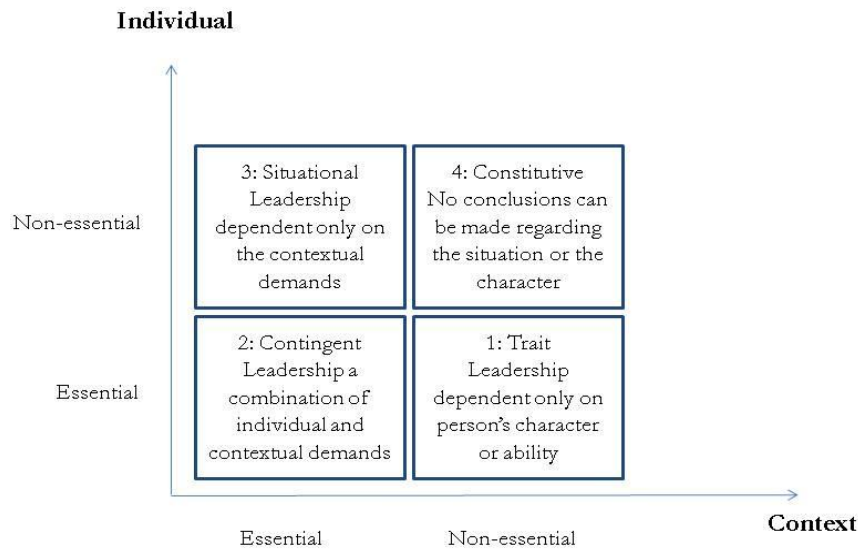


Figure 2. Essentialist and non-essentialist leadership (Mäkilouko 2003, 65, modified by Fredriksson 2013)

The leadership trait approach (1) bases leadership dependent only on the person's character and personal abilities (Mäkilouko 2003, 66). Traits can be defined as particular tendencies of a person on how to feel, think and act in certain ways. Especially traits such as intelligence, dominance, self-confidence and tolerance for stress can be seen to have a big influence on effective leadership. However, the conflict with the trait approach is that, not all people who possess these traits become leaders and there are leaders who possess the traits, but still are not effective. Overall, the general view is that people who possess these traits are more likely to become effective leaders. (George & Jones 2012, 366.) In fact, the idea of the trait approach is to seek a good leader based on the leadership traits and characters and further provide him or her training and learning opportunities to become an excellent leader. In addition, what makes this approach inaccurate is that there cannot be identified certain characters that would be the best for a leader since there are too many. It is easier to define characters that are not good for a leader than precise characters that a good leader needs. The

trait approach can be seen as the traditional way of promoting persons. (Mäkilouko 2003, 66.)

The contingent approach (2) bases on the belief that leadership is a combination of individual and contextual (situational) demands. This approach can be seen realistic as mostly the ability of a leader depends also on situational matters. The situational approach (3) states that leadership is dependent only on contextual demands, in other words, leadership changes according to the situation. Only leaders that are versatile in their style can be seen to use this approach. The final approach, the constitutive approach (4) premises that conclusions can be drawn neither depending on the situation nor on the character. The constitutive approach sees all understanding as subjective. The contingent and situational approach can be seen to adapt best to multicultural leadership as multicultural situations often require the leader to change his or hers style in order to better react to the teams expectations. (Mäkilouko 2003, 65-68.)

### **2.3 Defining culture**

Patterns that are learned through one's life, such as thinking a feeling are called mental programs. Each individual has a unique and different mental program as the social environment where the person was grown up affects the programming of one's mind. This mental software's can also be described as culture. (Hofstede 2010, 4-7.)

Leadership literature often defines culture as "the collective programming of the mind that distinguishes the members of one human group from another." (Mäkilouko 2003, 17.)

Culture is strongly connected with the social environment one is born and raised in and thus it is a collective phenomenon. Each culture has so called unwritten rules and similarities and this collective programming of the mind makes groups differ from one another. Culture is not innate but each individual learns the culture during their life and thus, the social environment has a great impact one ones mental programming.

Personality again, is unique for each individual as it is partly affected by the person's genes and partly by the collective culture and own personal experiences. (Hofstede

2010, 4-7.) It's important to remember that culture does not mean stereotyping but on the contrary, that every individual person is different. Common understanding skills, such as language and culture are important and crucial issues for human interaction. Cultures are formed when different people form groups and the need for common agreements arises among the group. (Mäkilouko 2003, 19.)

### **2.3.1 National culture versus organizational culture**

A national culture exists in a specific country and differs from other cultures. National cultures consist of various levels that can be regional, religious, linguistic, ethnic, gender, generation, social classes and various organizations. Different layers have been formed as people interact with each other. (Mäkilouko 2003, 25.) Within nations there can be identified strong forces for integration such as:

one dominant national language, common mass media, a national education system, national representation in sports events with a strong symbolic and emotional appeal, a national market for certain skills, products and services. (Hofstede 2010, 21.)

However, today's nations are not that homogeneous as before due to the wide interaction with other cultures, but can still be seen as nations with "a considerable amount of common mental programming of their citizens." Still, a national culture has a clear tendency for ethnic, linguistic and religious groups. (Hofstede 2010, 21.) In fact Maude (2011, 6) specifies that today national cultures are often composites of several different cultures.

Organizational culture is formed in a company when different behavioural norms occur due to different national cultures inside one organization (Mäkilouko 2003, 25). Maude (2011, 43), points out that "organizational values tend to reflect the values of the national culture." Organizational cultures can also be referred to as corporate cultures that include for instance the values, beliefs and assumptions of an organization (Moua, 2010, 35). "Organizational culture represents those expectations, norms, and goals held in common by members of that group." (Deresky 2011, 107.) Organizational culture can be also described as the assumptions and behaviours that

are taken for granted and make sense for the persons in that particular context they are working in. Therefore the organizational culture affects highly on how people respond and behave at the workplace which again impacts the development and change of the organizational strategy of an organization. (Johnson et al. 2011, 168.) Still, it is important to remember that culture influences an employee both on national and organizational level. Culture influences the employee's behaviour in the personal life which consequently influences the employee's behaviour inside the organization (Dong & Liu 2010, 224).

### **2.3.2 Cultural diversity**

Cultural diversity exists in different forms in work places e.g. race, ethnic background, age, gender, education, physical appearance, socio-economic level and sexual orientation (Yukl 2013, 363). According to Hofstede (2010, 7-10), cultural differences exist in several ways and can be found for instance in differences in symbols, rituals, heroes and values. In leadership, cultural differences exist in terms such as motivation, preferred leadership styles and learning styles (Mäkilouko 2003, 20).

Cultural diversity in an organization can be seen as a way of increasing creativity as people from different cultures may have different perspectives towards the work. (Yukl 2013, 363.) Lahti (2008, 12) mentions, that diversity can increase flexibility, peoples reactivity and creativity. In addition a diverse workforce can bring diverse skills and experiences to the table, such as intellectual power that again supports the organizations challenge of creating new products and solutions. (Gardenswartz, Cherbosque & Rowe 2010, 75). However, badly managed cultural diversity can turn into conflicts and lower satisfaction among workers. The challenge is to get people from different cultural backgrounds commit to the work and to create teams that work well together. Diversity management skills are extremely important for leaders in the twenty-first century. (Yukl 2013, 363.) Diversity management is discussed further in chapter 2.4 multicultural leadership and 2.8.1 diversity training.

“The four layers of diversity” by Gardenswartz & Rowe (1994) is a model that describes the concept of diversity (Gardenswartz et al. 2010, 76). The figure 3



represents four layers that are organizational dimensions, external dimensions, internal dimensions and personality. The outermost layer is the organizational dimensions which are defined as management status, union affiliation, work location, seniority, divisional department, work content/field and functional level classification. The employee cannot influence this layer that much as the organization is in control of how these things work. The following layer is the external dimensions characteristics are personal habits, recreational habits, religion, educational background, work experience, appearance, status, marital status, geographic location and income. These again are characteristic that can be influenced to some extent by the individual as they are real life choices of each person. (Washington 2008, 3.)

The internal dimensions of diversity again are characteristics that the individual has no control over since they are determined at birth. The internal dimension consists of age, race, ethnicity, gender and physical ability. The core of the model is personality, which is seen as the traits and characteristics of a person that determine the behaviour of a person to a certain extent. The three outer layers have an influence on the personality of an individual. (Washington 2008, 3.) The model illustrates that diversity consists of many different characteristics of a person and that a manager of a multicultural work environment should be aware of these dimensions to be able to pull out the strengths and talents of each and every employee to support the organizations goals (Amelio).

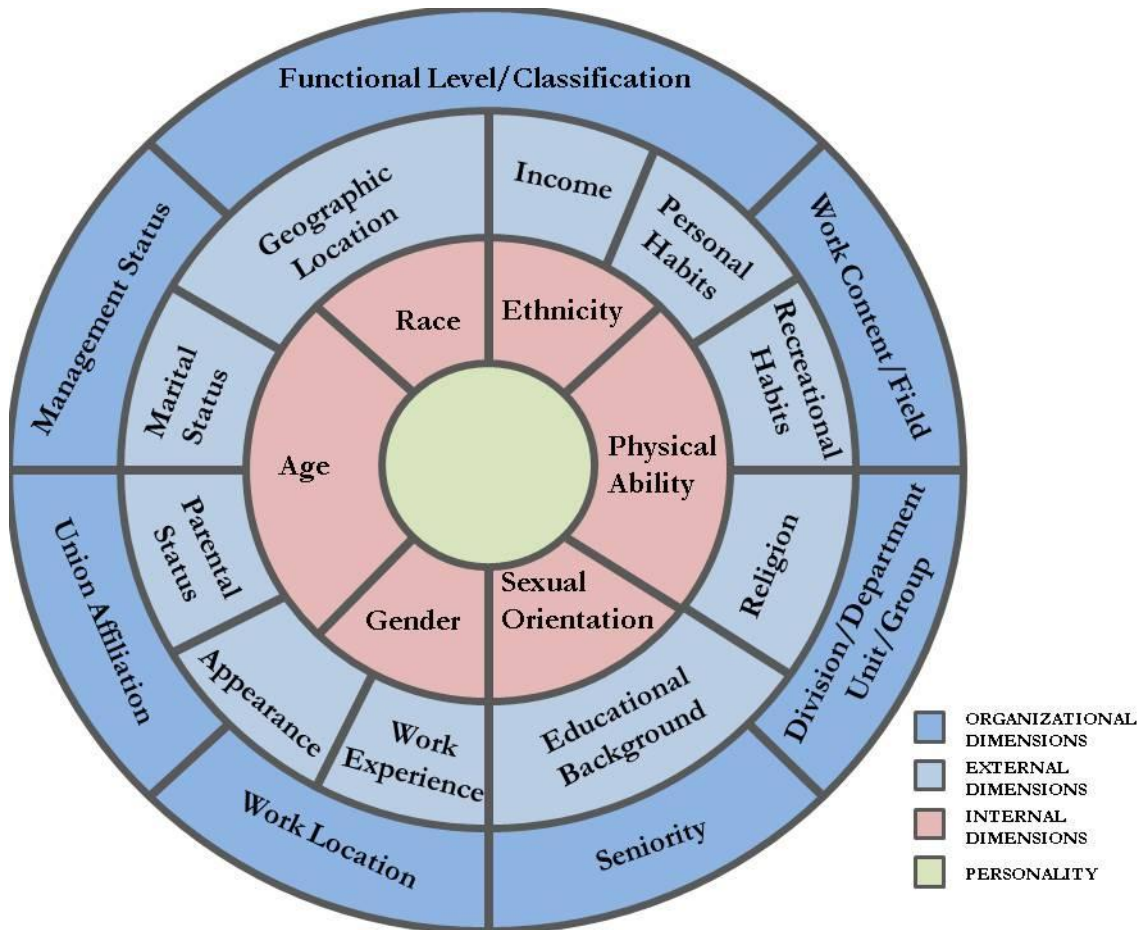


Figure 3. Four layers of diversity (a model by Gardenswartz & Rowe 1994)

## 2.4 Multicultural leadership

This thesis uses mainly the concept of multicultural leadership. However in literature the same topic can be found under the terms cross-cultural management, diversity management or multicultural management. There are slight differences with the terminology, but in this thesis we consider all terms equal, since for instance the hotel managers discussed the topic with various terminology and literature used various terms for the same concept. The objectives of multicultural leadership can be divided into three sectors: ethical, commercial and human resources. These three sectors should be in balance and actualize in the work of an organization in order to build a credible image both to the external and internal environment. Furthermore, the ethical motives of an organization form the ground for all human resources and operative actions. (Lahti 2008, 36.) This thesis concentrates on the human resources sector of

multicultural leadership however not forgetting about the ethical grounds of an organization.

The key to successful management in a multicultural environment is to increase one's own cultural awareness. Through multicultural experiences one becomes more broad and open-minded and tolerant of cultural difference. (Moran, Harris & Moran 2011, 28). "Multicultural leadership means leading teams that have team members from two or more cultures." (Mäkilouko 2003, 12.) Multicultural leadership is a combination of leadership styles, preferences and skills. Two main aspects in multicultural leadership are personality of the person and the role of the context in the situation. (Mäkilouko 2003, 65.) "Employees and the way they are managed can be important sources of competitive advantage." (Harrison & Enz 2005, 89.) The leader's role is to assist in creating a positive organizational culture that meets the competitive environments demands, the shareholders expectations as well as satisfies the employees (Moua 2010, 49).

According to Lahti (2008, 18) multicultural leadership aims at enhancing the individuals and the organizations well-being, productivity and capacity to work in a fair and equal way. Managers need to be aware various elements such as on how cultural differences can influence the attitudes and motivations of staff, and how efficiently they work. This requires well working systems both in communication and relationships between the manager and the subordinates. (Mullins 2011, 66.) A successful multicultural leader knows how to put the cultural knowledge into practice. In fact Gutierrez, Spencer & Zhu (2012, 70) explain that there is a difference between "knowing" about cultural issues in a work environment or context and being able to carry out effective behaviour. Finally multicultural leadership builds credibility and makes an organization attractive (Lahti 2008, 43).

According to Mäkilouko (2003, 87) different cultural values and beliefs, leadership style, context and the leaders personality are all issues that interact together and make some ways of managing a multicultural environment easier than others. Multicultural situations create need for leaders to change their leadership style to match better the

expectations of the employees. Researches prove that the most successful multicultural leaders are versatile as persons. (Mäkilouko 2003, 68.) Also, the organization itself needs to be flexible. When some kind of cultural pattern can be recognized in the organization there can be drawn a solution for better management. (Mäkilouko 2003, 11.)

There are two different types of leadership behaviour; consideration style and initiating style. A leader that uses consideration style is kind towards the employees and manages to get them to do things voluntarily and not by giving orders. The initiating style means that the leader acts as the authority to the employees and either rewards them or punishes them depending on the situation. (Mäkilouko 2003, 68-69.)

A strategy that combines leadership as leaders' behaviour, communication, organization behaviour, and organization design is a solution that allows reasonable results in most cases (Mäkilouko 2003, 11.)

Mäkilouko (2003, 35), presents a learning curve for multicultural leadership that is illustrated in figure 4. Learning about new cultures improves management as communication becomes easier and mutual understanding grows. Cultural learning starts from ignorance, in other words the idea that all persons are similar despite of cultural differences. The level of understanding the other culture arises when multicultural interactions occur. The final level ought to be deftness, in other words the person is not aware of his or hers skills since multicultural situations are already experienced as normal situations. (Mäkilouko 2003, 35.)

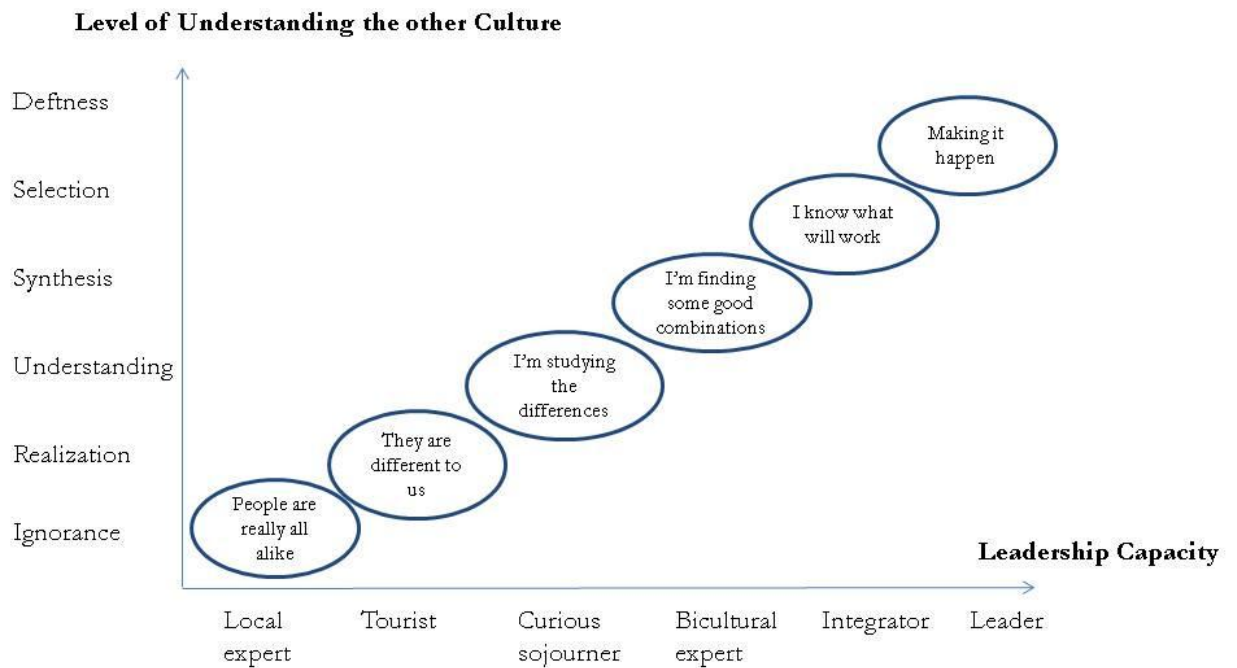


Figure 4. The cultural learning curve (Mäkilouko 2003, 35)

## 2.5 Defining strategy

Literature presents several definitions for strategy. A strategy presents the goal-directed decisions and actions of an organization that match the capabilities and resources of the company with the opportunities and threats from the environment. A strategy includes actions that are to take place to make an organization achieve its goals. Furthermore, a strategy includes and takes into consideration the organizations strengths, opportunities and threats. (Coulter 2005, 5.) A strategy is a “long-term direction of an organization” that usually includes managing for instance people, relationships or resources and thus can be referred as strategic management (Johnson et al. 2011, 7).

Strategies exist on different operational levels. Corporate strategies are long term plans and questions on what the organization wants to be and what they want to achieve. (Coulter 2005, 8.) A corporate strategy is important for an organization as it determines

the range of business and gives the basis for other strategic decisions (Johnson et al. 2011, 7). Functional strategies or operational strategies are actions that take place in various functional areas inside an organization. These strategies are designed for a short term and have a precise goal to achieve. For instance, functional strategies can be found in marketing and human resources. Competitive strategies or business unit strategies are strategies that concentrate on making an organization more competitive from another organization. Equally important to defining the strategy is implementing it, in other words putting the strategy into action. After the implementation each strategy should be evaluated to examine the outcomes of the actions. (Coulter 2005, 7-8.)

This thesis concentrates on the operational strategy, in other words on the strategic human resource management. Armstrong (2011, 48) explains strategic human resource management as a way of managing people towards the organizations goals with using HR strategies, policies and practices. Various studies have shown that human resources strategies create competitive advantage and have a positive impact on performance of the company. Human resources management is practiced on different sectors, for instance training, recruitment and performance management. The idea is to improve the personnel's knowledge and skills, increase their motivation and overall performance. (Coulter 2005, 151-152.)

This thesis studies strategy on two different levels:

- 1) the corporate strategy of the organization, in other words what does the organizations corporate strategy state about multicultural issues.
- 2) the functional or operational strategy of the management or leadership of an organization, in other words the tools and methods the management applies in leading a multicultural work community.

## **2.6 Multicultural strategy**

In years 1990-1995 organizations started to build diversity strategies and hire diversity specialists in order to improve the work environment, to be more successful and

productive as an organization and also to build a better employer image.

Multiculturalism became a part of the official human resources strategy and in the best scenario, a part of the everyday management. (Lahti 2008, 32.)

An ideal multicultural strategy in an organization is comprehensive but still concrete and clear to understand. The idea is to create a strategy that covers the most important issues of the employees, the work environment and future challenges. Without a realistic diversity strategy the organization might encounter difficulties in giving clear guidelines to the employees. Furthermore, having a multicultural strategy retails about an organization that cares about diversity issues and has a management that goes into it. However one has to bear in mind that as the employees or even management of an organization changes, old methods might expire and get out of date. Therefore it is highly important to re-evaluate the strategy at regular basis to be able to change it when necessary. (Lahti 2008, 128-129.)

Multicultural strategies can express different issues in an organization. First, a multicultural strategy states the organizations priorities, in other words what is meant with diversity and multicultural management and what are the priorities of the organization for instance in gender, race and age issues. Second, a multicultural strategy establishes the essential principals and manners of approaching people. Third, a strategy defines the diversity-strategic approaches on an organization: a) treating everyone equally, b) paying special attention to finding common possibilities, c) systematic “positive discrimination” to find balance. Fourth, a strategy defines responsibilities and available support systems. Finally, a multicultural strategy includes following, evaluating and awarding the responsible persons in management. (Lahti 2008, 130.)

## **2.7 Multicultural leadership strategies by Mäkilouko**

Mäkilouko (2003, 85) has defined four strategies for managing a multicultural environment: cultural ethnocentrism, cultural synergy, cultural polycentrism and cultural geocentrism. In this thesis we consider only three of them as actual strategies, as the fourth strategy, cultural geocentrism can only be seen as a theory. The strategies

base on different national cultures, leadership beliefs and diverse leader orientations. These strategies give an overall picture of different kind of management strategies.

Leaders that are aware of different cultures in the work environment have been found more efficient in applying cultural synergy or cultural polycentrism in their leadership. There are both task orientated and relationship oriented leaders as there are different cultures that affect the leaders' approaches. For instance, leaders with little knowledge about cultural differences seem to be more task-orientated which indicates cultural ethnocentrism. Cultural learning starts from ethnocentrism and should advance into synergy which means that the leader starts to learn and advance in cultural empathy to be able to face different problems that occur. (Mäkilouko 2003, 87.)

### **2.7.1 Cultural ethnocentrism**

Cultural ethnocentrism means that the leader wants to practice his or hers own leadership style regardless of the employees' different cultural backgrounds.

“Ethnocentricity involves the attitude that one’s own way of doing things is the best, no matter in which cultural environment.” (Morschett, Schramm-Klein & Zentes 2010, 143.) This leadership style is most common among multicultural leaders, even though not proved to be the best strategy. Ethnocentrism is also usually the starting point when a new team is built. (Mäkilouko 2003, 85.) An ethnocentric person places his or hers own group or society before all other, and thus tend to be intolerant and closed-minded when communicating with other people. Maude (2011, 38) adds that a person with ethnocentric values will have difficulties in cross-cultural communication and therefore will find it more challenging to build and maintain healthy cross-cultural relationships.

Cultural ethnocentrism might be the easiest leadership strategy as it is fast and does not require the leader to build synergy, in other words to pay attention to cultural differences. The leader acts based on his or hers own national culture and norms and sees the world only from one perspective. Ethnocentric leaders do not want to improve as leaders and believe that they are as they are and cannot change. Task management is seen as more important than leadership and ethnocentric leaders are



extremely task-oriented. Cultural ethnocentrism bases on the belief that all people have some idea of universal laws of nature and thus can act upon these rules. There is no need to build relationships or understand cultural differences as the leader expects people to act based on common sense and beliefs. An ethnocentric leader bases his or her leading on a rational approach. Careful planning is required for ethnocentric management as the belief is that when there is a clear project plan, people act upon it and there is no need for cultural understanding as rules are clear. A clear project plan results in less communication problems and thus less confusion among the team members. This kind of leadership requires controlling and supervision. Instead of discussions and meetings with team members, an ethnocentric leader prefers to use written letters with clear statements to give clearer messages. These kind of written reports cause less misunderstandings and confusion among team members as the message is clear and no place for arguments is given. (Mäkilouko 2003, 99-108.) Figure 5, below illustrates the main characteristics of cultural ethnocentrism.

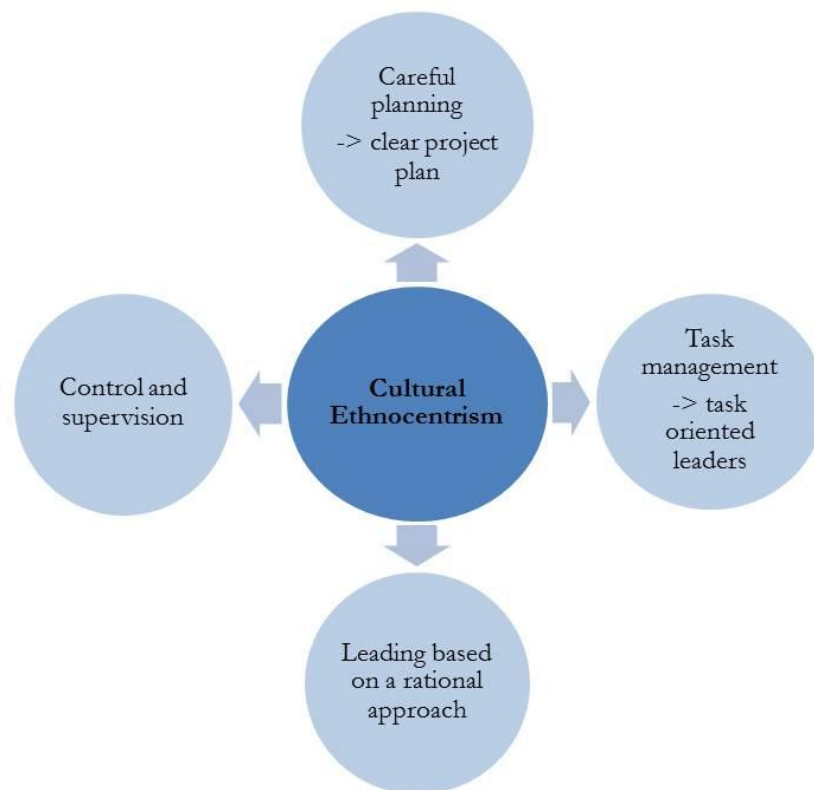


Figure 5. Cultural ethnocentrism strategy (Fredriksson 2013)

## 2.7.2 Cultural synergy

Cultural Synergy is a strategy where the leader wants to find similar cultural preferences within the team and to respect these preferences in terms of creating better teamwork. (Mäkilouko 2003, 85). Synergy occurs when diverse individuals or groups collaborate and work together for a common cause (Harris 2004, 359). The key word of synergy is cognitive strategy. A synergistic leader embraces teamwork in order to solve different expectations, learn from each other, and arrive at common agreements (Mäkilouko 2003, 182). By combining the strengths of different cultures in an organization the leader is able to create well-functioning teams of people. A leader applying cultural synergy wants to solve differences between members and encourages people to learn from each other to embrace teamwork. The key for a cultural synergic team is to find solutions to work or act that are commonly accepted by all members. (Mäkilouko 2003, 89-96.)

“Synergistic organizations also encourage self-actualization.”(Moran et al. 2011, 238.) Promoting synergy helps to improve the work environment and the quality of work life. Synergy can also be seen to develop “the potential of members by facilitating the release of team energies.” (Harris 2004, 359.) Further, knowledge about different cultures and how different people work together is important for a leader to be able to resolve conflicts and to provide solutions for different situations (Mäkilouko 2003, 89-96). “Without this cultural understanding, synergy in the implementation may not make sense nor be viable.” (Harris 2004, 363.)

Relationship building among employees is necessary for building trust and thus for creating a more cohesive society. When the team member trusts the leader the leader can also trust the team member and thus improve the communication. (Mäkilouko 2003, 89-96.) The synergistic approach aims at developing a shared way of working together. As people have different expectations due to different backgrounds and national cultures it is important to try to find common agreements in teamwork. The leader applies an active leadership style and discusses about cultural differences with team members to increase cultural awareness. A synergistic leader wants team members to learn from each other and to help them make common agreements of

how to work together. (Mäkilouko 2003, 89-96.) The synergistic approach can be seen as easier to apply in an organization where cultures are more similar to each other (Mäkilouko 2003, 182). Figure 6, below illustrates the main characteristics of cultural synergy.

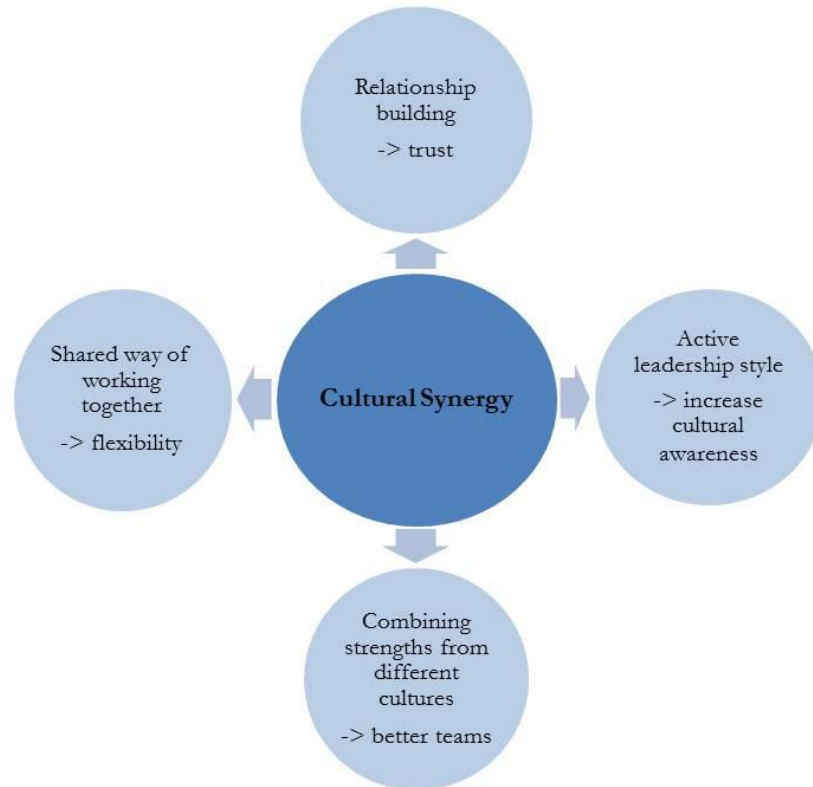


Figure 6. Cultural synergy strategy (Fredriksson 2013)

### 2.7.3 Cultural polycentrism

Cultural polycentrism is a strategy where the leaders want to learn and adapt to local cultures. Polycentric leaders try to balance between different cultures in terms of integrating them better together. (Mäkilouko 2003, 85-86.) In other words, polycentric leaders need to adapt to different cultural norms and local cultural contexts (Morschett et al. 2010, 143). Cultural polycentrism can be seen as the most efficient leadership style because it is effective, fast and helps to maintain a cohesive work community. This leadership strategy does not require the team members to learn or change their way of working. The leader builds groups based on his or hers own knowledge and interest in different cultures that work well together. (Mäkilouko 2003, 119-120.)

Cultural polycentrism is seen necessary when the team members come from very different cultures (Mäkilouko 2003, 183).

A polycentric leader is able to understand cultures and therefore is able to design teams that can reach maximum performance. The idea in building groups is that it is effective to keep different cultural groups, that might face confusion, separate. It is easier for the leader to adjust to different cultures than to ask an entire team to be able to understand cultural differences. This kind of leading style requires ability to understand diversity and different cultures and asks for high level of experience in multicultural issues. The leader needs to respect cultures and want to preserve them as they are. (Mäkilouko 2003, 119-120.)

A polycentric leader understands different cultures and team members' behavior in the organization. The leader has confidence in his or hers ability of understanding basing on previous knowledge. The leader seeks for learning opportunities to build his or hers skills. There are three personal characteristics linked to understanding cultures. Cognitive complexity is required from a leader to be able to learn, relate and understand the team members. The leader needs to feel empathy towards the team members that can be seen as open mindedness, tolerance and sympathy. Emotional energy is required from the leader to be able to better face uncomfortable and stressful situations. Psychological maturity means that the leader is able to maintain a certain attitude and empathy in all kind of situations and cases. (Mäkilouko 2003, 121-124.)

Team design skills are important for a polycentric leader. A relationship-oriented leader with the help of cultural empathy can select the right people based on personalities and competencies. When the team is selected carefully there is less risk for conflicts and perception problems. Also, it is easier to encourage participation in decision making and planning. A polycentric leader maintains good relationships with the team members and wants to improve communication by encouraging for open discussion. Facilitating interaction among team members is another characteristic of a good polycentric leader. The leader needs to be able to solve conflict situations, to maintain good teamwork and effectiveness. Conflict situations arise mostly from lack of

communication skills that can be avoided with the right cultural strategy. With the right strategy in multicultural teams you may be able to increase co-operation to increase the effectiveness or to decrease the capacity of the teams work skills. (Mäkilouko 2003, 124-133.) Figure 7, illustrates the main characteristics of cultural polycentrism.

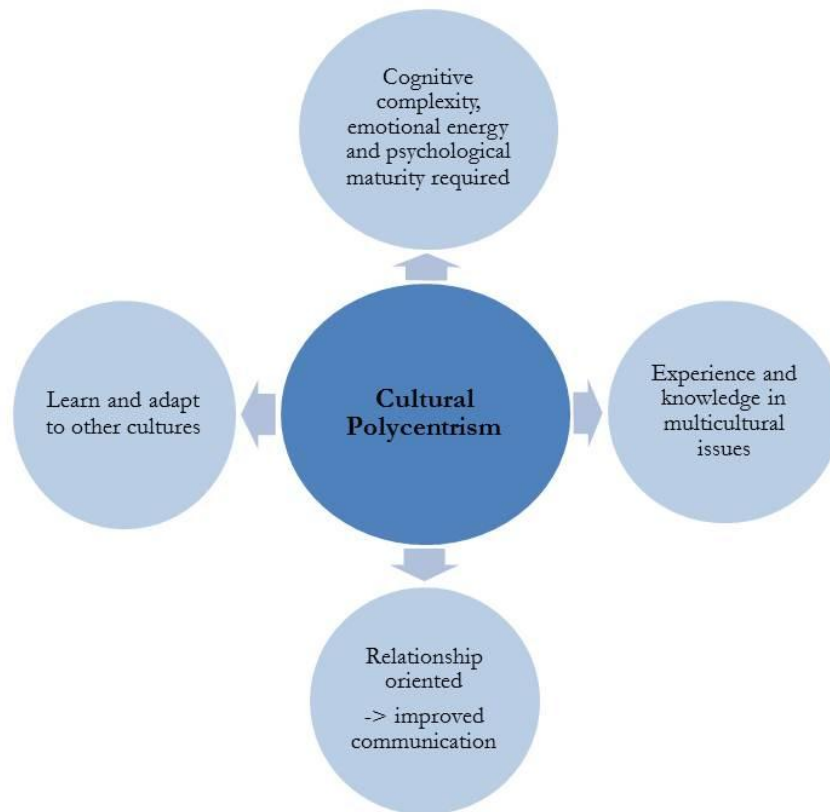


Figure 7. Cultural polycentrism strategy (Fredriksson 2013)

## 2.8 Multicultural management tools and competences

This chapter presents diversity training as a tool of a multicultural manager for improved management. Also, important competences, such as empathy and sensitivity, make an intelligent multicultural manager. Furthermore language and communication skills are important for a multicultural manager in order to interact with different cultures.

### **2.8.1 Diversity training**

“Top management commitment to diversity is an absolute necessity for effectively managing diverse workforce.” (George & Jones 2012, 143.) A multicultural leader should be able to create a work environment in which all participants understand diversity and respect cultural differences. Diversity training is a tool that can be used for creating a better multicultural atmosphere in a workplace. (Madera, Neal & Dawson 2010, 470.) Diversity training programs are designed to create better understanding towards cultural differences and to create self-awareness about issues such as stereotyping and intolerance. Also, diversity training takes place in educating employees about cultural differences on how to act and respond in a multicultural work environment. (Yukl 2013, 363.) Diversity training is designed to make management of diverse workforce easier. George and Jones (2012, 143) define different diversity training programs with various objectives.

George & Jones (2012, 143) describe the content of diversity programs flowingly:

- breaking down stereotypes, inaccurate perceptions and attributions
- raising awareness of different backgrounds, experiences and values
- conflict management
- raising mutual understanding

### **2.8.2 Culturally intelligent leadership**

The increasingly global world highlights the importance and significance of cultural understanding and awareness. Multicultural teams bring out the need for leaders that nurture cultural empathy and are culturally intelligent. (Gutierrez et al. 2012, 67.)

“Cultural sensitivity, or cultural empathy, is an awareness and an honest caring about another individual’s culture.” (Deresky 2011, 105.) Madera et al. (2010, 472) define empathy as an “emotional response that allows one person to affectively connect with another, often through feelings of sympathy, compassion, tenderness, an concern.”

Maude (2011, 226), points out that for a person who is culturally sensitive it is easier to form relationships with people from different cultures. To be able to be culturally sensible a leader must first understand his or hers own culture. Cultural awareness prevents a leader from adopting a wrong kind of attitude. Attitudes that are not suitable for a multicultural leader are parochialism and ethnocentrism. Parochialism can be seen for instance in a situation where a French leader expects people from other cultures to automatically adopt into the French culture and behaviour norms. An ethnocentric leader again, believes that the way he or she is working is the best regardless of the situation or context. (Deresky 2011, 108.)

### **2.8.3 Cross-cultural communication**

Language barriers create misunderstandings that can show as negative attitudes towards people from different cultural backgrounds. It's important to remember that the process of communication is diverse and includes different norms, attitudes, social organizations, social status, thought patterns, roles, nonverbal behaviour and language. (Madera et al. 2010, 470.) Intercultural communication is created when two persons with different backgrounds discuss and tempt to share the same meaning. These two persons might share different values and have different expectations of for instance communication. (Moran et al. 2011, 39.) Furthermore Maude (2011, 66) states that employees who are not fluent in the main language used at the workplace may fail in progressing in their jobs and may find it hard to succeed in networking and social interaction which is many times essential for career success.

Yukl (2013, 251) points out that diversity can impede the communication due to differences in language, jargon, measure or criteria. National cultures should not be confused with communication differences as communication is not exactly part of the concept of culture. However there are links between the two concepts as language is the way people interact with each other and therefore reflects the person's national culture. Furthermore, communication can be seen to effect multinational interactions and create communication problems in several ways. (Mäkilouko 2003, 30.)

Mäkilouko (2003, 30) lists communication problems that are more common in multicultural interaction.

- the degree of openness regarding controversial issues in oral or written communication, that can irritate people if the cultural background is unknown
- speaking in half sentences and assuming that people know the discussed information beforehand
- different uses of intonation that can reflect for instance politeness, question or denial
- some languages miss certain concepts that can cause confusion in a discussion

Different cultural variables exist in the communication process and a skilful manager is aware of their influence on the cross-cultural communication. Each variable affects our perceptions and thus shows in our behaviour. Attitudes expose persons to behave in certain ways. For instance, ethnocentrism is an attitude where a person finds another person or similar or different from himself or herself, instead of understanding that the person might come from a different culture and has a different background.

Stereotypes are attitudes or generalizations about people and their characteristics.

People get often judged quickly by their behaviour and assimilated into a certain group. By stereotyping persons one can reduce his or her own uncertainty. However, stereotyping may lead into misunderstanding in cross-cultural communication (Deresky 2011, 142; Moran et al. 41.)

The social organization is a variable that impacts persons own perceptions. For instance the geographic society can be a group of people from the same religion, nation or tribe. The role society again can be for example a group of people with the same profession. People are members of different societies on different levels and thus, communicating with persons from different levels can be challenging. Thought patterns differ from culture to another as people are brought up with different forms of reasoning. Managers should not assume that all people use the same reasoning processes. Also, roles differ as in some cultures there are more strict rules that should be respected. There are big differences in societies of what should be the role of a



manager. Language skills of a person give us a perception about the person itself. (Deresky 2011, 142-143; Moran et al. 2011, 41-42.)

Space is an important factor in the communication process and the concept of space differs a lot. In some cultures it is more common to take more contact for instance with colleagues at work when in other cultures there is a fixed space that creates a comfort zone for the person. Finally, also time sense affects communication with other people. In some cultures there is a more linear sense of time that covers the past, present and future as in other cultures time can be seen as more limitless. (Moran et al. 2011, 42.)

Being aware of differences between high- and low-context cultures will help in understanding differences in speech patterns that occur often in cross-cultural communication. Cultures can be high-context cultures or low-context cultures or be found in between. In high-context cultures one must read the meaning of the message between the lines as thoughts are not expressed explicitly. Often the key information is hidden in the context and has to be discovered by the person. Moreover, high-context cultures tend to be relationship-centred, thus building trust among the people is highly important. Again, in low-context culture communication is more explicit and feelings and thoughts are expressed clearly. According to studies Finland can be seen as part of the low-context cultures, as the rest of Scandinavia too. People in low-context cultures tend to be again more task-centred and the need for relationship building among people is minor. A manager should be aware of the different contexts and what kind of problems they might arise in the work community. When communicating between different cultures conflicts may arise from misunderstandings due to people from different cultural contexts. (Deresky 2011, 147; Maude 2011, 13.)

## **2.9 Summary or the literature review**

Relevant statistics and background information reveal the growing amount of foreign workers in Finland. Especially in the services industry and hotels multiculturalism is highly actual at the moment. The literature review discusses themes such as strategy, leadership and culture in order to establish a base for discussion for multicultural

leadership strategies. Multicultural leadership skills are important for a hotel manager and leadership provides several multicultural management tools to assist the leader to operate efficiently in the everyday work.

Strategy is researched on different levels to be able to understand its influence on the work environment. Firstly, strategy is examined on the corporate level, as values of the organization. Secondly, strategy is studied on the operational level to be able to find out which kind of strategies are used in the everyday management in terms of tools and methods for managing the multicultural work environment.

This thesis concentrates on three different multicultural leadership strategies defined by Mäkilouko (2003). Cultural ethnocentrism is a leadership strategy where the manager practices his or hers own leadership style regardless of the work environment. Cultural synergy is a strategy where the leader emphasizes teamwork and a shared way of working together. Cultural polycentrism again bases on leaders that have a wide knowledge of different cultures and want to adapt into each and every culture and build relationships. This thesis tests the multicultural leadership strategies in the hotel environment.

### **3 Methodology**

This chapter presents the methodology used in this study. The research methods used are qualitative research and deductive approach. Further chapter 3.3 presents the justification for selecting the following research methods for this particular study.

#### **3.1 Qualitative research**

Qualitative data is variable and can be in form of text, pictures etc., which makes it sometimes challenging to analyse (Brotherton 2008, 207). The term qualitative describes a research method that gives qualitative rather than quantitative information that can be for instance words, images or sounds (Veal 2011, 231). The qualitative data can be quantifiable, in other words put into numbers, to be able to identify patterns within the data that can help in finding new dimensions (Brotherton 2008, 208). The qualitative approach is used to collect more detailed information from a relatively small amount of cases rather than collecting more limited data from a bigger amount of cases that is usually referred as quantitative research (Veal 2011, 232).

When using qualitative research as base to this study the aim is to get a deep understanding of the issue. Qualitative research bases on the belief that the persons that are personally involved in a particular situation are the best experts to recount their own feelings on the topic with their own words (Veal 2011, 232). Qualitative methods often require a more flexible approach for the research design. Furthermore, qualitative research requires a more “fluid relationship between the various elements of the research”. This approach is called recursive and in other words means that the hypothesis evolves as the research goes further. Therefore analysing can take place already when collecting the data and writing can take place already before all data has been collected, it’s a so-called on-going process. (Veal 2011, 237.)

Brotherton (2008, 210), specifies different stages in qualitative data analysis. The first stage is unitising the data, in other words choosing the focus or unit for the analysis. The unit can be for example words, phrases or even questions used in the interview or questionnaire. The next stage is called coding the data, which means that the collected

data is processed with for instance ordering, reducing or summarizing the main issues. The following stage examines and identifies the data for any “emergent structure or categories”. Finally the data can be examined to find out possible patterns and themes to be able to build or test the theory. (Brotherton 2008, 210-211.)

### **3.2 Deductive approach**

This research uses the deductive approach as base for the study. A deductive research bases on already existing theory and knowledge that is further used as the base for a new study or research. According to literature, a deductive researcher can develop a theoretical framework that helps to structure and guide the research during the research process (Brotherton 2008, 18).

In this thesis already existing theory and knowledge will be used as a starting point. The literature review is formed to determine the theories that will be tested to reach the results. The deductive approach tests the consequences of the theory, in other words, the hypothesis. In the end of the study the previous data or the theories will be confirmed or if the data found does not match the theory used in the study a new theory may be created. (Brotherton 2008, 18-19.)

### **3.3 Justification of research methods**

Qualitative research method was chosen as the study bases on a small intake of data which is more detailed and interpretative in nature than numeric data (Brotherton 2008, 207). As the study was decided to be conducted with in depth interviewing hotel and general managers’ qualitative research method seemed as an appropriate method. Furthermore this thesis uses the deductive approach as the study bases on already existing theory.

## **4 Data collection**

The procedure of data collection should be considered carefully to adopt the right instrument or procedure to collect data that is appropriate for the study (Brotherton 2008, 131). For this particular study the data collection method chosen was 1) in depth-interviewing hotel managers and 2) an additional Likert scale questionnaire that was ought to be filled in by the interviewees.

In depth-interviewing was chosen as one of the data collection methods because the subjects of the research, in other words, the hotel managers were relatively few in number to participate in the research and thus a quantitative research style would have been inappropriate. Also, the information acquired from each interviewee was expected to vary a lot and thus a qualitative method was seen as more appropriate to get more detailed answers. A questionnaire was designed to complete the interviews with even more detailed answers through statements that measure the ideas and thoughts of the interviewees. The questionnaire consisted of simple quotes or statements that could be replied to with a Likert scale. Likert scale means an agree/disagree type of interval scale that measures the extent to which the person agrees or disagrees with a specific statement (Brotherton 2008, 98). A Likert scale questionnaire consists of statements or quotes that the respondents can answer to on a scale, for instance one for totally agreeing with the statement and five totally disagreeing with the statement. A Likert scale is commonly a five-point scale, which means that it measures the agreement on the quotation as follows: totally disagree, disagree, neither agree or disagree, agree and totally agree. The scale includes statements that can be written in positive or negative form depending on the relationship of the variable that is investigated. In other words this means that the agreement and disagreement are reversed. (Brotherton 2008, 145.)

### **4.1 In depth-interviewing**

Interviewing was selected as the data collection method as the study required more detailed answers from the respondents that were more discursive than direct. In fact “interviewing is frequently viewed as a desirable method of data collection where in-

depth data are required.” (Brotherton 2008, 152.) In-depth qualitative interviewing is a good method for acquiring in detail the experience, motives and opinions of the persons that have the knowledge in the particular research problem (Rubin & Rubin 2012, 3). Interviews can be conducted in a formal way with a structured questionnaire where the interviewer asks questions in a face-to-face manner. However, by interviewing the respondents in a more open way, almost as a dialogue there is more space for the discussion to flow and more detailed answers may be gathered. (Brotherton 2008, 152.) Still, a questionnaire was used as a base for the interviews to make some kind of a body to the discussion, but not forgetting about letting the respondents’ talk also besides the question.

Interviews can be highly structured and specific stimulus-response affair conducted within a formal interviewer-interviewee situation. However, interviews can also be much more flexible, open-ended, discursive and more like a non-directive, two-way conversation. (Brotherton 2008, 151.) As interviews may vary by type the main purpose of this data collection method is still to obtain the information required from the respondents. Interviewing is a good data collection method for a study that requires qualitative data an in-depth exploration.

This research used a semi structured interview as the data collection method. A semi structured interview means that the researcher has a specified topic and has prepared a certain number of questions in advance. Furthermore, the researcher has thought about follow-up questions for the interviewees. (Rubin & Rubin 2012, 31.) With selecting the semi structured interview method we want to limit and narrow down the possible answers but still to keep the discussion open so that the interviewee feels free to discuss the topic. Responsive interviewing style is used in this research as the questioning is flexible and questions are adjusted to find the experience and knowledge of each interviewee. Responsive interviewing is a style of qualitative interviewing that highlights that trust and relationship building between the interviewer and the interviewee is highly important for building a better conversation. (Rubin & Rubin 2012, 36.)

## **4.2 Questionnaire**

“The main purpose of a questionnaire is to provide a vehicle for obtaining accurate information from a respondent.” (Brotherton 2008, 132.) The Likert scale is one of the most common forms of interval scale used in questionnaires (Brotherton 2008, 144). The statements in the Likert scale can be written in positive or negative form depending on the variable that is tested.

The questionnaire used in this research consisted of eight statements from which two were written in negative form and six in positive form. This was made to test the attentiveness of the respondents. The Likert scale used had a 1-5 scale, with one meaning that the respondent totally disagrees with the statement and five meaning that the respondent fully agrees with the statement. Number three on the scale refers to a neutral answer, in other words that the respondent neither agrees nor disagrees with the statement.

## **4.3 Data collection process**

The interviewees were contacted by email in January 2013. An e-mail with an introduction to the research topic and the interview questions was sent out to the possible candidates of the research. The interview invitation letter can be found as attachment 1 in the end of the thesis. The interview invitation e-mail consisted of a brief introduction to the thesis topic and justification of why interviewing was seen as the appropriate data collection method. Also, the letter specified that the interviews were to be confidential and final results couldn't be identifiable in the final thesis. The possible candidates were reminded that the interviews would be recorded. The length of the interview was specified to be 20 minutes and dates and times were suggested for the interviews. As attachment to the e-mail was sent 1) the interview questions that were ought to be asked at the interview and 2) the Likert scale questionnaire, that the interviewees were asked to fill in and hand out at the interview situation.

Part of the candidates to be interviewed were suggested by the thesis supervisor and others where found on the internet. The aim was to reach a good variety of

professionals to get detailed and comprehensive answers for the questions. Both men and women managers (General Managers or Hotel Managers) were contacted for the interviews. There were 19 emails sent to the candidates from whom there were six positive replies, five negative replies and eight e-mails were not answered. The interview times were scheduled through e-mails and phone calls and interviews dates and places were decided. The interviews took place on week four in January 2013 in different hotels in Helsinki. The length of the interviews varied from less than 10 minutes up to 40 minutes. Two interviewees sent the filled Likert question sheet before the actual interview and the rest handed it out at the interview. One interview was held in Finnish language and the others in English.

#### **4.4 Interviewees' profile**

The following table (table 1) presents an overview of the interviewees' background. The interviewees were coded with letters, A-F that are used further in this thesis when discussing the results. The coding was done to be able to interpret also each interviewee's responses individually. The table presents the interviewees current position, educational background, amount of subordinates and the amount of foreign subordinates at the moment. More detailed information of the interviewees' background can be found in chapter 5.1, interviewees' background.



Table 1. Interviewees profile (Fredriksson 2013).

Code	Current position	Educational background	Amount of subordinates at moment	Amount of foreign subordinates at moment
Interviewee A	Managing director & General Manager	Studies in hotel management, marketing & finance	25	Only a few at the moment (Somalia, Russia)
Interviewee B	Hotel Manager	Studies in hotel management	20	Only a few at the moment (Portugal, Russia)
Interviewee C	General Manager	Studies in economics and business	7 full time 3-4 part time	2 (Estonia)
Interviewee D	Hotel Manager	Studies in hospitality management	15 permanent, 3 extras	4 (Canada, Turkey, Lebanon, Estonia)
Interviewee E	General Manager	Studies in hospitality management	38	3 (China, Estonia, Thailand)
Interviewee F	Managing director & General Manager	Studies in hotel & hospitality management	80	Over 10 (Mexico, Russia, Estonia, Austria, Thailand, Cameroon, Italy)

#### 4.5 Formulation of the questions

Data collection was decided to be conducted with two different questionnaires. The first questionnaire was a so called “interviewer-completed” questionnaire which provided a script for the actual interview (Veal 2011, 260). The questions for the interview questionnaire were formulated based on the literature and the theories selected for the literature review. The questionnaire was divided in four different themes. The first theme was the background questions that served to make a profile of the interviewees and to better understand the reasoning behind their answers. There were six background questions in total that some had a sub question. The second part of the questionnaire was defining the two major concepts; cultural diversity and

multicultural management. The third theme of the questionnaire was strategy that consisted of six questions that some were specified with additional questions. The final theme of the questionnaire was multicultural management which consisted of two questions. All questions were linked with the theory and the literature. The interview questions can be found in attachment 2 in the end of this thesis.

The second questionnaire with the Likert scale questions can be found in attachment 3. The statements based on the multicultural management strategies defined by Mäkilouko (2003) that can be found in the literature review. The purpose of the questionnaire was to test the strategies (synergy, polycentrism or ethnocentrism) used in the management in the hotels. The statements were designed to reveal which kind of multicultural management strategy was used in the management to be able to define at which level the multicultural management is at hotels in Helsinki. The statements were easily understandable and tested the managers' opinions on different multicultural issues.

#### **4.6 Limitations**

There were several limitations for this study to keep the subject narrow as there was plenty of material about multicultural management in general. The subject was narrowed to study mainly leadership strategies in a multicultural work environment instead of studying the whole concept of multicultural leadership. Further, the topic was narrowed to concentrate only on the hospitality industry and more specifically on hotel management.

Furthermore, the topic was limited to research hotel management only in Helsinki area. In addition, the interviewees were selected to be general managers or hotel managers to keep the management level the same for all respondents. Moreover the research was decided to be conducted as a qualitative research with conducting in depth-interviews on the hotel management.

## **5 Results of interviews**

This chapter recounts the answers of the interviews and the questionnaire without analysing them. Further analysis and conclusions can be found in chapter 6 and 7. The first part recounts the interviewees' background, information of the organization they manage and their main work tasks. The second part tells the interviewees' outlook on the main concepts used in this research. Followingly, the results reveal the results of the strategy questions and the interviewees' views about multicultural leadership. The final part presents the results of multicultural management strategies used in hotels in Helsinki.

The interviews results were first transcribed and then processed and coded with the help of the program excel. The main points and sentences of each answer were put into an excel table which made comparison and finding the actual results easier. Moreover, the same kinds of answers were highlighted with one colour to make the results more visible.

### **5.1 Interviewees background**

Five out of six interviewees had education in the hospitality field. One interviewee had completed studies in economics and business. Four of the six interviewees had a Bachelor's degree in the hospitality industry. Interviewee A had both a degree in marketing and finance and education in the hospitality field. Only one interviewee had an executive MBA degree. Two of the six interviewees had studied abroad. The interviewees work history in the hospitality industry varied a lot. Three out of six interviewees had worked abroad in the hospitality industry. Two interviewees (D and F) had outstandingly more experience from working abroad than the other interviewees. All interviewees had worked in several hotels mainly in management positions. Interviewees A, C and E mentioned that they had worked in many different hotel chains in Finland.

Interviewee C had worked in the same company for 20 years and interviewee E for 19 years both in different positions. Interviewee F had worked in the same company for

nine years and interviewee D for four years. Interviewees A and B had worked the shortest time in the same company of all the respondents; interviewee A for five years and interviewee B for five months. Two out of six interviewees were currently working as both managing director and general manager of the company. Interviewee B and D were currently working as hotel managers and interviewees C and E as general managers of the company.

All interviewees named as one of the main tasks at work taking care of customers and guests. Interviewee A, mentioned customers, interviewee B, guest service and interviewee D, mentioned guest relations and taking care of VIP guests as one of the main tasks. Interviewee F stated that welcoming guests in the lobby is an everyday task. Three out of six interviewees named as one of the main tasks at work, “everything”. Interviewee A, stated that “you are responsible for everything” when interviewee C stated that keeping the hotel running and practically everything is part of the everyday work. Interviewee E added that everything that has to do with running a hotel is a part of the work. Two out of six interviewees named as one of the main tasks at work the economical responsibility. Interviewee A mentioned the responsibility of the economic system as interviewee F stated responsibilities both from the corporate perspective and the overall operations as well as authorizing capital investment. Two out of six interviewees named as one of the main tasks at work marketing and sales. Other similarities could not be found from the interviewees’ answers.

Furthermore the interviewees listed some tasks that can be seen as an important part of their work: looking after the staff, keeping discipline, getting involved with faults, leading room operations, management, maintenance, revenue management, supervising the housekeeping department, real estate/property issues, developing new business concepts, checking contracts and invoices, coordinating, legally direct the organization, being the accountant for the company, being responsible for the performance and ownership and shareholder issues.

Interviewee A's experience in working with people from different countries was from different intercontinental hotel group conferences where there were people from various countries. Interviewee B again, recounted as experience working with people from different countries and cultures both in Finland and abroad. Interviewee C saw as experience the interaction between clients and partners that are mainly from other countries. In fact, interviewee C saw that to work with people from different nationalities is an everyday thing. Interviewee D had work experience from several different countries. Countries with different kind of cultural habits and ways doing have had an impact on interviewee D. Interviewee E explained as work experience the encounters with foreign employees that work in the housekeeping department. Interviewee F again, had experience "from practically every walk of life". Strong experiences are from working for different luxury hotel chains having both to learn about different cultures and to train the other employees at the same time.

Interviewee A manages 25 employees, of which there are no foreign employees at the moment. There are only a few foreign people from different schools working for the company at the moment. Interviewee A has people working from Somalia and Russia. Interviewee B manages a bit over 20 employees at the moment of which there are two foreign employees from Portugal and Russia. Interviewee C again, manages at the moment 7 full-time employees, 3-4 part time employees and 2-3 employees in the housekeeping department. Interviewee C has 2-3 foreign employees from Estonia. Interviewee D manages at the moment 15 permanent employees and 3 extra workers. The housekeeping department consist of 15 employees, but they are not directly under the management of interviewee D. At the moment interviewee D has 4 foreign employees from Canada, Turkey, Lebanon and Estonia. Interviewee E again, manages at the moment 38 employees of which 3 are foreigners. The countries listed where Estonia, Thailand and China. Further interviewee E also mentioned that the housekeeping sector, which is outsourced, has around 25 employees of which approximately 20 are foreigners. Interviewee F has at the moment about 80 employees of which over 10 are foreigners. There are people from Mexico, Russia, Estonia, Austria, Thailand, Cameron and Italy working for interviewee F.

## 5.2 Definition of concepts: Cultural diversity and multicultural management

The respondents gave various definitions and explanations of the concept cultural diversity. Interviewee A saw cultural diversity as treating people equally despite where they come from and knowing something about different cultures to be able to act. Also interviewee F pointed out that when being culturally diverse you have knowledge and understanding of different cultures. In addition, according to interviewee F a person or organization that is culturally diverse is more approachable for different cultures.

Interviewee B defined the concept as people from different cultures working in the same workplace or department. Interviewee C again saw cultural diversity as a set of different people from different cultural backgrounds that fulfil each other and bring different cultural habits and new approaches to the work environment that positively contribute to the work environment. Also interviewee E and D nominated different cultural habits as part of cultural diversity. Interviewee D saw cultural diversity as a broad topic that includes different backgrounds, religion, language, values and family values. Furthermore interviewee D stated that family, ethnicity, food habits and physical looks are an important part of cultural diversity.

Interviewee A saw multicultural management as more the rules of the company. These rules can be seen for instance in educating employees in what they say, how they should look and how they should behave. Interviewee B again defined multicultural management as managing people from different backgrounds, cultures and countries and working together towards the same goal or with the same agenda. Interviewee C defined cross cultural management as taking into account different ways of treating people from different cultures, basically being aware of how to be a boss in different cultures.

I could consider this like that you take into account the different ways of treating people from different cultures in some cultures maybe you should be more direct and straight forward and in others cultures you're supposed to maybe be more polite or tell things little more smoothly. And it's rude to be to straight and straight forward on some things.

Interviewee D's opinion was that multicultural management is an extremely important topic including various aspects that should be taken into consideration. According to interviewee D multicultural management includes "how to make people work together, how you get them to respect each other, respect their different cultural backgrounds and try to get out of the people their strengths and their weaknesses and put them in a balance". Interviewee E stated that there might be differences in the management of people from different countries. For instance how to make two people from different countries work and do the same task. Interviewee F defined multicultural management as "remaining open while still consistent" and to ensure an equivalent "management philosophy regardless of culture, colour, race, creed, ethnic background, religion or whatever." In addition, interviewee F thought that the company culture, company philosophy and vision should be something that multiple cultures could feel comfortable with and want to be a part of.

### **5.3 Multicultural strategies in hotels in Helsinki**

Only one interviewee, (interviewee F) out of six stated that the company has a clear strategy for multicultural and diversity issues. The strategy was described as an internal statement that no one can be turned away because of any cultural or ethnic background. Interviewee B specified that they do not have a clear strategy but kind of one that states that the company is against of all kind of discrimination and thus all employees should be treated equally. Other interviewees did not see that the company would have any strategy for multicultural issues. Interviewee C defined that they have not considered having a strategy as it is already such a homogeneous work environment. However, interviewee C stated that the strategy might be that they allow the employees to apply their own culture on the clients from their own culture. Furthermore interviewee C added that if or when they have people from different cultures they like to take the advantages of their knowledge on how to treat people from their own culture or country.

But, not that they are squeezing it down to that it would be a habit in our, I don't think that we, we are still in a majority the remaining of us and all of us have been here for let's say in the reception four out of five have been working there for more than 20

years. So, regardless if they are domestic or foreigners who are coming to work with them it's very difficult to turn, to change them around so of course I don't think it's not so good idea if you start as a new employee and try to encourage new ways of doing things like the first things you are doing so I think the work history might be quite short if you start with this end.

Three out of six interviewees (A, D & E) answered that the general strategy of the organization they work for mention for instance ethnic background, religion and equality issues. Interviewee A specified that the owner company has values that mention equality. Also interviewee D stated that the company has strict rules on especially equality; everybody should be treated the same regardless of the cultural background and these issues could be found written in the company policy. However, interviewee D added that the hotel does not have a clear guideline of how to manage diverse cultural issues. Furthermore interviewee E answered that these issues exist in the general strategy as regulations and rules about equality. In addition interviewee E recounted that they do not apply exactly to the management but for general customs and company values.

The other three interviewees (B, C & F) did not see that the organizations general strategy would mention these issues. Interviewee B stated that the general strategy does not mention too much of these issues even though the company is against of any kind of discrimination, even if it's due to religion, culture or anything. According to interviewee C they do not have any general strategy mentioning these issues since flexibility is the point with not having a policy.

we can take advantage of being individual we don't have to make rules or regulations about everything. I decide and if I decided wrong I can change my decisions so it's like I said little kind of a one man show so what means that I have to take responsibility of my decisions and I have the have the authority to reconsider my decisions and how to run this hotel. If I feel it necessary. But not like that we would have like a policy on the first and nobody would read it and nobody would write it either. Or if I would write it down I maybe have to change it after a couple of months so I think the flexibility is the point with not having a policy.



Moreover interviewee F answered that they do not have a strategy that would state for instance how many people from different cultural backgrounds they should have. Interviewee F added that “we do what we see is the right thing to do and what fits the organization and fits our philosophy.”

Only one interviewee, interviewee A thought that there should be a strategy for multicultural issues in the company. The other interviewees did not see that there should be one. According to interviewee B at the moment there is no need for a strategy as “everything is running pretty smoothly and we are fairly used to work in these kind of multicultural environments”. Interviewee C stated that there should not be a strategy since they want to allow the employees to be their own individuals and that it’s more the responsibility of the manager to employ the right person so they can have the right personality to fit in to the work environment and customers. Furthermore interviewee D stated that having a strategy is up to each and every unit and that you cannot make a general guideline that would fit all departments. Moreover interviewee D added that each and every unit manager has the responsibility to make own guidelines and it would be beneficial that the human resources manager would be aware of them as well.

When asking the interviewees whether they have come across a multicultural strategy in an organization before only interviewee F answered yes. The other interviewees had not seen a strategy elsewhere. Interviewee D has come across legislative policies, but not strategies of how to manage different cultures. Moreover interviewee A has encountered some kind of standards before and according to interviewee E the housekeeping and cleaning companies have these kind of strategies.

Not all respondents had a clear answer when asking how the strategy is implemented in the everyday management as some respondents did not see that they would have a multicultural strategy in the organization. However, according to interviewee B the strategy is implemented as treating all people equally. In addition interviewee B stated that in general all company rules are the same for every employee. Moreover interviewee D thought that the company respects and follows the legislative things very

well. Further interviewee E stated that equality is realized in the actual work and that these kinds of things are highly emphasized and committed to.

#### **5.4 Multicultural management tools and methods**

When discussing different kind of management tools and methods used for creating a better multicultural work environment the interviewees gave various replies. Two out of six interviewees, interviewee A and B believed that understanding different cultures is an important factor in building a better multicultural environment. Interviewee B added that taking into consideration that people from different cultures react to things in different ways is crucial for creating a better environment. Two interviewees added that knowledge about different cultures is an important factor. Also educating oneself to know about different cultures, to know what the needs of different people are and to be better prepared to treat and understand them was mentioned as a tool by interviewee A.

Experience and knowledge about different cultures was mentioned as a tool for a better multicultural work environment by two interviewees, C and E. In addition, interviewee C added that setting language requirements for the employees prevents from any kind of communication problems. Other tools and methods that the managers used in the leadership were for example: being open-minded and treating all employees equally, using own experience in the leadership and encouraging the employees to learn languages. Interviewee D mentioned also the importance of finding the strengths of each individual employee. By giving every employee an own task according to their strengths besides the normal work they get motivated and also feel like an important part of the team.

#### **5.5 Multicultural management challenges**

Two out of six interviewees, interviewee A and C, found managing a multicultural work environment more challenging than managing a non-multicultural work environment. However, interviewee A added that it is somewhat easier due to the fact that the work itself has to do with encountering multicultural customers and thus it is

not such a big issue. Interviewee C again saw it as more challenging due to cultural and language differences. Still, the other four respondents, interviewee B, D, E and F did not see managing a multicultural environment more challenging. Interviewee B added that there is not a big difference in the management since “our generation is pretty much already used to this multicultural environments and people are travelling more and people are a bit more open minded than before”. According to interviewee D in general managing a multicultural environment is more challenging if you have never done it before. However in interviewee D’s personal opinion it is not challenging because of the experience and background from work, studies and life. Interviewee E added that managing a multicultural environment is not challenging since also Finns can be difficult at times. In fact interviewee E thought that people from certain cultures can be even more receptive since they are in a foreign country. Interviewee F stated that managing a multicultural work environment is not challenging but like the contrary; it is much more enriching, much more exiting and much more fulfilling.

Only two interviewees, interviewee A and C mentioned some challenges they have come across when managing a multicultural work environment. The same interviewees found also managing a multicultural work environment more challenging. Interviewee A pointed out as a challenge knowing and noticing the needs of every culture. Interviewee C again argued that it’s challenging to not take some things for granted, for example to understand that not all cultures know for instance what celiac disease is. In addition interviewee C added that the level of hygiene is different in different cultures and also the cultural difference of how to present things and language issues can be seen as challenges. Even though interviewee D did not find managing a multicultural work environment challenging a few experienced challenging situations came out in the discussion. Very religious employees might be a challenge due to different habits and rules set by the religion that prevent the employee for instance from participating staff get-togethers and therefore not become a part of the group or may lower the employees work capacity for instance during the Ramadan. Interviewee D added that also for some cultures it might be difficult for male employees to take orders or listen to female employees due to pride.

## 5.6 Managers perception of a multicultural work environment

Language skills were mentioned as a positive factor that has an effect on the work environment by five of the six respondents. Interviewee A mentioned that it is positive that customers get service in their native language and interviewee C added that besides serving the customers with the native language they can also handle well customers from their own culture. Interviewee B saw as positive having employees who speak different languages. Also according to interviewee B, a positive thing is that employees from different cultures and countries can serve their fellow citizens' from different countries in the way that they want to be served. Interviewee C added that a foreign employee who speaks Finnish and other languages is added value to the company. Furthermore, interviewee F stated that language skills among all employees are a huge asset and help for instance when there are problems in understanding or communication with the customers.

On the other hand, interviewee D added that when lacking the Finnish language skill the foreign employees try harder for instance to impress the guests and their boss. Because they try harder they bring so much more also because they know that in order for them to advance in our culture, in our city and in their career and lacking Finnish or fluent Finnish skill they will have to try harder to advance. Another positive effect mentioned by two of the interviewees was the innate service culture. As interviewee E stated, the service of people from certain cultures comes directly from the "bone marrow". Interviewee D added that service culture is very difficult to teach and some people just have it from their childhood and from the way they grew up. Further interviewee D explained that some cultures just take so much more pride in their work and for instance the Arabic world serve the customers "so deep from the heart" and in such a natural way that we cannot even compete with that.

Moreover, interviewee C recounted that by experience some foreign employees are more motivated to come to work than fellow Finnish employees. These employees have come here to work and are not afraid of working long shifts on many days in a row. In fact interviewee C states that they actually prefer to have somebody from abroad as long as they manage the Finnish language because "we do not have to ask

them twice to come to work as they are very motivated”. According to interviewee E, foreign employees are very handy in many works and are very detailed and attentive in the work. Finally interviewee E adds that foreign employees are good workers and do not weasel out at work.

So it's very individual. And you cannot generalize on so much on that. Because the personal values are but are. But of course if you want to be kind of let's say stereotypes so the young people here in Finland they have other priorities than work everything else goes before work. And those who are coming from let's say Estonia or Russia they are here for working and they are not afraid of working long shifts or many days in a row. So that we have to send them home to go to sleep. But, the domestic Finnish young people so well, even shopping goes before going to work so. We actually prefer to have somebody from abroad as long as they manage the, that they are good at, they know the language. So, yes because you don't have to ask them twice to come to work they are very motivated but there is people living with their parents or looking for a summer job when so it's not so important to have a job or not obviously since everything is more important and then going to job.

Negative effects of a multicultural work environment were found only by three of the interviewees. Interviewee A, stated that the standard of cleaning is different and some education for the employees would be good as the hygienic background is so different. Interviewee C added that language can also be seen as a negative factor since if the employees are grown up with certain habits and with a language with no conditional term they might be too straight forward and rude. Finally interviewee E stated that there are not exactly negative factors, but sometimes the foreign employees might have difficulties with certain restrictions and instructions. However it depends on how these instructions are introduced to the foreign employees to make them understand them better.

Some respondents had difficulties in understanding this specific question. It seems, that some respondents understood the question as how multiculturalism can effect positively or negatively on the organization, since many interviewees discussed for instance of how the employees language skills effect on the customer service. However, it is important to bear in mind that the purpose of this question is to find out what the leaders think are the positive and negative effects of having a

multicultural team to the work environment and not to the organization's outcome of customer service. However all these things are linked to each other as we can consider that for example having employees with language skills will help in customer service but will also make the other employees work easier and thus affect the team or work environment.

Table 2. Positive and negative effects of a multicultural team to the work environment according to the interviewees (Fredriksson 2013).

<b>Positive effects</b>	<b>Negative effects</b>
Customer service with native language	Standard of cleaning and different hygienic background
Employees language skills	Language habits - being rude
Foreign employee that speaks also Finnish	Difficulties with restrictions and instructions
Foreign employees high work moral and motivation	
Innate service culture	
Foreign employees try harder to impress and compensate e.g. lack of language skills	
Foreign employees are handy in many things	
Good workers - little weaseling	
Co-operation and helping each other with languages in customer service	

### **5.7 Multicultural management strategies according to Mäkilouko's theory**

The interviewees were tested on multicultural management strategies with the Likert questionnaire (see attachment 3). The statements in the questionnaire were designed upon literature, the multicultural management strategies by Mäkilouko 2003. The statements were designed to test the interviewees position in the three different strategies; cultural synergy, cultural polycentrism and cultural ethnocentrism.

The eight statements of the questionnaire were coded to match with the multicultural management strategies defined by Mäkilouko. There were two statements that matched

either ethnocentrism or synergy and the other six statements that matched either ethnocentrism or polycentrism. According to Mäkilouko (2003, 99) ethnocentrism is often the easiest alternative for a multicultural leadership strategy with limited success and synergy and polycentrism on the other hand are perceived more effective. (Mäkilouko 2003, 89, 119.) The questionnaire was not designed to know exactly which of the strategies was the most used among the interviewees but to find out in general on which level the management strategies are in hotels in Helsinki.

Each statement was coded followingly: responses from 1-2 (1 = I totally disagree with the statement and 2 = I tend to disagree with the statement) referred to one particular strategy, response 3 (neutral, neither agree nor disagree) referred to no strategy and responses 4-5 (4 = I tend to agree with the argument and 5 = I fully agree with the argument) referred to another particular strategy. When processing the data all questionnaires were marked with letters; S for synergy, P for polycentrism and E for ethnocentrism according to the answer. The same letters are used as codes when further analysing the information. The information was gathered in table 3 that summarizes all the answers of the respondents. From six questionnaires gathered only one questionnaire had one statement that was not answered to. There were neutral answers given in four out of six questionnaires. The neutral and empty answers were ignored in this study and show on the following table as empty spots.

Table 3. Summary of results of the questionnaire (Fredriksson 2013).

	A	B	C	D	E	F	TOTAL
1. Building trust among the multicultural team is one of the most important tasks for a leader	E	S	S		S	S	S
2. Knowledge and interest in different cultures are one of the most important characteristics of a multicultural leader	E	P	P	P	P	P	P
3. As a leader I am prepared to change the leading strategy according to the needs of the multicultural work environment	E	P		P		P	P
4. As a leader I feel that the different cultural background should not be taken into account in the work environment	E	P		P	P	P	P
5. Employees' originating from different cultures should completely adapt into the Finnish work environment			E	P	E	P	E/P
6. An employee originating from another culture needs more supervision and guidance than a Finnish employee	S	S	E	S	E	S	S
7. As a leader I do everything to understand a foreign employee and his/hers cultural background		P	P	P	P	P	P
8. A foreign employee should not emphasize his own cultural background at the workplace and let it affect the work environment	P			P		E	P
<b>TOTAL</b>	E	P	E/P	P	P	P	

**E = Ethnocentrism**

**S = Synergy**

**P = Polycentrism**

In table 5, on the left side are presented the eight statements and on the upper row the six respondents, coded with letters A-F. The table presents the answers for each statement of each respondent with a letter and in the end of each column is calculated the total (the most replies of the same letter = total). Furthermore the table illustrates also the answers of all respondents on the same statement. For instance answers for statement number 1 are visible on the first row and the total (presented in the upper right corner) presents the sum of the answers of the respondents (the most replies of the same letter = total).



The table shows that with these statements the interviewees were categorized as mostly polycentric leaders. Polycentric leadership, according to Mäkilouko (2003, 199) can be often seen as the most effective strategy for multicultural management. Only interviewee A, could be defined as an ethnocentric leader based on these eight statements.

## **6 Findings and data analysis**

This chapter analyses the results of the interviews and the questionnaire. The analysis is divided according to the themes in the interviews: background questions, main concepts, multicultural strategies in hotels in Helsinki and multicultural leadership. The main findings and interesting results are discussed in this chapter.

### **6.1 Background questions**

It was interesting to notice that all interviewees had education in the hospitality field but only two of them (D and F) had studied abroad. The expectation was that most hotel managers would have had studied abroad as different kind of exchanges and seminars are today an important part of the hospitality studies. International experiences should be appreciated more, especially in the hotel industry as both customers and the employees are becoming more international. Experiences from abroad can be seen as important personal assets especially when managing a multicultural work environment. The experience of studying abroad could have had an impact on the answers as the interviewees might have had more perspective to cultural issues. Also, it was clear that interviewees D and F considered the studies abroad as an important part of their career.

Furthermore it was surprising that only one interviewee had a MBA degree in the hospitality industry. Again, the expectation was that most of the hotel managers would have had a Master's degree in the hospitality industry. Three interviewees had work experience from abroad of which two had significantly most experience from working abroad. The multicultural work experience could be most significantly seen in the answers of interviewee D, who gave detailed information about the experiences of working with people from different cultures. Also interviewee F's answers could be noted to have influence from the diverse work history from abroad. The other interviewees work histories were various but cannot be seen to have a clear impact on the results.

The length of working for the current company varied a lot among the interviewees from 5 months to 20 years. However, no clear correlation between the length of their employment and the answers could be found. Also, some respondents had worked in a managerial position for a longer period than the others, but still no clear impact on the answers could be found. The interviewees' current position cannot be seen to influence the final answers that much since all respondents were working approximately at the same level of management. Still, two interviewees were both general managers and managing directors of the company and thus when asking about their main tasks it could be clearly seen that their tasks included more financial and economic aspects than the other interviewees tasks.

In all, the position of the interviewee could not be seen to affect the interviewees' results. Interviewee D and F had significantly more experience from working with people from different cultures and they had also the most foreign employees working for them at the moment. Interestingly the countries that stood out were Estonia that was mentioned by four interviewees, Russia, that was mentioned by three interviewees and Thailand that was mentioned by two interviewees. The results are consistent with the statistics, as most foreign workers in Finland come from Estonia.

## **6.2 Definitions of concepts**

Interestingly, all respondents gave very different definitions for cultural diversity. Interviewees D and E were the only ones to mention that cultural diversity means people with different habits. Especially interviewee D defined the concept along with the literature, which gave the assumption that interviewee D had studied the topic and was aware of all different perspectives of the concept cultural diversity. For some reason a few respondents defined the concept more from the management point of view, as in how to manage culturally diverse people. Interviewee A defined the concepts as treating people equally and interviewee F specified that being culturally diverse is having knowledge and understanding of different cultures.

The interviewees' definitions of multicultural management were similar to the definitions provided in literature. All respondents seemed to have a clear idea of the

concept and had no difficulties in defining it. Especially interviewee D pointed out that multicultural management is a topic that should be included more in the hospitality studies as multicultural knowledge is highly important in the hotel industry.

### **6.3 Analysis of multicultural strategies in hotels in Helsinki**

It was interesting to discover that only one hotel had a clear strategy for multicultural issues. However, this was also the hypothesis for this research and in this way it was proved to be true. Still, it was surprising that only three hotels had a general strategy that mentioned diversity issues, such as values and equality statements. It was expected that most organizations would have had a clear statement when it comes to ethnic background, religion and equality. Even though not all hotels corporate strategy included clear statements of multicultural issues, one interviewee said that the company is still against any kind of discrimination. Interestingly only one interviewee saw a need for a clear multicultural strategy for the organization as the others perceived no need for improvement for the current situation at the workplace. Also, only one respondent was familiar with a multicultural strategy from before. In fact, interviewee D specified that there are legislative policies about multiculturalism in the industry but not management policies about multicultural situations.

Even though the hotels interviewed for this study had not set a strategy for multicultural issues on the higher level or the management level it was clear that the respondents perceived that they use tools and methods in the everyday management that could be seen as a sort of a strategy. In fact the interviewees used different styles of managing that fit into some of the strategies defined by Mäkilouko (2003). Interestingly, the interviewee that perceived managing a multicultural work environment challenging was also the only one who saw a need for a clearer multicultural strategy in the organization. However, in general we can state that the challenges of the multicultural management were not perceived too insuperable as most of the interviewees did not see a need for a strategy. The results of this study made it clear that the multicultural management level in hotels in Helsinki is high. According to the multicultural leadership strategies defined by Mäkilouko (2003), polycentrism and synergy are the most efficient strategies for leading multicultural

teams. In fact, the questionnaire revealed that most interviewees acted in the tested situations as polycentric or synergistic leaders.

#### **6.4 Findings on multicultural leadership**

In general the interviewees did not see managing a multicultural environment challenging, but the contrary, most respondents saw multiculturalism as an asset to the organization. The interviewees found many positive aspects in having a multicultural work environment. An interesting result was that even though the managers had a very positive insight towards foreign employees, there were still only few foreigners working in hotels in Helsinki. Are there some other reasons behind the fact that the managers have only a few foreign employees working for them? Do the managers still consider foreign employees as more difficult to manage? It would be interesting to explore further why hotel environments in Helsinki still have only a few foreign employees.

Diversity training as a tool of multicultural management was not mentioned by any of the interviewees. This can be found interesting as the literature highlighted the importance of educating both the manager and staff and diversity training was indicated as a good tool for increasing cultural awareness at workplaces. Only one interviewee mentioned that educating the staff about different cultures is worthwhile for the entire team.

Literature highlighted the importance of communication and relationships between the manager and the employees and this would be something that the hotel environments could improve in. As one interviewee mentioned it is challenging to get the foreign employees to join staff get-togethers and to make them feel part of the team. A skilful multicultural manager understands that people are different and does not judge them but embraces their different backgrounds. Different kind of activities could be organized to make everyone in the team feel comfortable to join without any expectations. Furthermore, literature defined sensitivity and empathy as important characteristics of a multicultural leader. However these skills did not stand out significantly in this research. In fact, only one interviewee mentioned that you have to consider politeness as an aspect in the work.

## 7 General conclusions

The research proved that the hypothesis was valid, as the hotels did not have a clear multicultural strategy neither on the general level nor on the management level.

However the expectation was that most managers would consider a multicultural leadership strategy helpful in the work but the results proved that the interviewed managers did not see a need for a strategy.

The purpose of this research was to find out what kind of multicultural management strategies are used in hotels in Helsinki. We can state that based on this study hotels in Helsinki do not have clear strategies for managing a multicultural environment. The interviewees did not see a need for a precise strategy in the work. Still, the interviewees mentioned multicultural management tools and methods that they use in the work that were also proven efficient by the literature. Furthermore this research proved that the multicultural management level in hotels in Helsinki is high and that leaders are aware of different aspects on how to embrace diversity.

Furthermore, the research aimed at understanding if the hotels corporate or general strategy mentions multicultural issues and aspects. The results prove that not all hotels general strategy mention multicultural issues, but they give a direction of the organizations values. Mostly the values include subjects such as equality and that the company is against discrimination. Importantly the interviewees perceived that most of the organizations values are transmitted to the employees.

The objective was to gain knowledge of different kind of multicultural tools used for multicultural management on the operational level. Based on the results managers use a variety of tools in their daily work that can be seen as effective and competent. Cultural understanding, knowledge and experience can be seen as important characteristics for a multicultural leader.

This thesis aimed at finding out what kind of strategies the managers perceived efficient for managing a multicultural environment. The strategies tested were

ethnocentrism, synergy and polycentrism defined by Mäkilouko. The results prove that the management of the hotels interviewed categorize mostly as polycentric leaders. In fact we can state that the multicultural management level of hotels in Helsinki is high as Mäkilouko (2003) defined polycentrism as the most efficient multicultural leadership strategy.

## **7.1 Evaluation and validity of the research**

When conducting a qualitative research by in-depth interviewing different persons we have to consider many issues that might have had an impact on the answers. One has to evaluate the reliability and validity of the answers from different point of views. Reliability and validity of a qualitative research is had to evaluate as the data is subjective and interpretable. However, the limits of this research were suitable as the sample was not too wide and the research concentrated only on one industry and a clear area.

First of all we have to bear in mind that the interviewees' individual background, culture, personality and experience are all factors that have an impact on the answers. The social correctness of the respondents, in other words "embellish the truth" may have had an impact on the answers and further on the results of this study. Especially, when researching a somewhat sensitive topic such as multicultural management we have to consider that the topic may raise different feelings in the respondents. Also, as the topic is sensitive, the answers might not be entirely correct as it can be difficult to give the "real answers".

We have to emphasize that the answers cannot give an exact and comprehensive idea of multicultural management issues in hotels in Helsinki as the intake of answers was minor. However, we can consider the results directional and helpful for instance for some organizations to take perspective to multicultural issues. An important point of view in this study is that a manager has to consider the multicultural environment as a mix of foreign and Finnish employees. We cannot consider this study only from the perspective of how to manage the foreign employees but we have to remember also the majority of Finnish employees that together form the multicultural team. In fact

one interviewee pointed out that neither the manager nor the foreign employee can expect to turn around the work environment just for one different culture. It's important to remember that often the majority of people are Finnish and that primarily the foreign employees are the ones should adapt and fit into the work environment.

Furthermore, some respondents expressed that they did not understand exactly what would be the point in having a strategy because they did not have foreign employees. Therefore we have to bear in mind that some answers were perhaps a bit less comprehensive and from a different point of view. Also, the interviewed managers worked for different kind of hotels, by size, concept and chain. Moreover, both the employees as the clients profile vary from hotel to hotel and therefore not all managers saw the necessity of discussing multicultural issues.

Finally, we have to consider that the study was conducted in English for managers that work in Finland and use mainly Finnish as their work language. We have to bear in mind that the Finns who answered the questions in English might have had difficulties in expressing themselves as well as in understanding some concepts as English is not their native language. In addition we have to consider that the interviewees could have felt that the research would question their management skills even though the idea and objectives of the research were explained to them in the beginning of the interview process. This could have had an impact on the reliability of the answers. Still, the interviewees were professional leaders and experts in this field and thus, the answers can be seen as quite comprehensive.

## **7.2 Managerial implications**

It was surprising to notice that a multicultural strategy was still such an unknown concept among the hotel managers. According to the author, the need for more precise guidelines will rise as the hotel industry becomes more and more culturally diverse. A well planned strategy will give the organization structure and assist the managers in their work to make the leadership more flexible.



This thesis aimed at raising discussion about multicultural issues in hotels in Helsinki. It would be important that managers could discuss about diversity and multiculturalism with the employees to increase cultural awareness, trust and open communication. Managers should aim at improving their skills in order to become excellent multicultural leaders. The learning process of becoming a multicultural leader requires time and resources and it would be important that the hotels would provide the possibility for managers to grow. Also, as the work environment changes and evolves a multicultural leader needs to be able to adapt in different situations on a daily basis. Therefore tools, such as a strategy would be beneficial for a multicultural organizations management.

This thesis revealed that the company values of the hotels, e.g. equality, actually come true in the everyday work. However, a skilful multicultural leader should not just treat everyone alike and forget that each and every employee comes from a different background and has different needs. Sometimes it is more beneficial to emphasize on the cultural differences in order to bring out the best qualities of each and every employee. Finally, the managers could use diversity training as a tool in educating the employees about multicultural and diversity. Education could bring out mutual understanding and trust among the leader and the employees. Furthermore the strategies found in literature can be found as efficient and worthwhile to be applied in the actual management of hotels in Helsinki.

### **7.3 Suggestions for future research**

Ideas for future research in this topic raised along the research process.

Multiculturalism is a current topic in the hotel industry and further research on it could be done from several different perspectives. Firstly, it would be intriguing to research how the employees perceive the multicultural work environment. Do the employees feel that the multicultural environment should be managed in a different way?

Secondly, the manager's multicultural skills could be tested to find out whether the managers are prepared to encounter possible challenges created by the multicultural work environment. Thirdly, it would be interesting to develop education programs that

would ease the management of multicultural teams. Future research could be done to measure how the education programs work and what are their benefits.

One interviewee pointed out the contradictory of the language used in the workplace. Even though 80% of the customers speak English and there are foreigners working in the hotel, the language of communication is still Finnish. It would be interesting to further investigate how the environment would change if the communication would be done in English.

Furthermore the city of Helsinki revealed recently that they are changing the employment process to even more confidential. The purpose is to encourage people to send applications that do not have to include the name, age, nationality, language, gender and sexual orientation. The point is in reducing the possibility to select employees upon wrong intentions, to improve equality and to encourage more diverse people to apply for jobs. It could be interesting to research how the process actually works and what are the outcomes of this change.

With this thesis, the author wants to raise the readers' interest in multicultural issues in the hospitality field. This thesis aims at opening discussion about having multicultural strategies in hotels in Helsinki to be able to reach better results with multicultural teams. Moreover, this research wants to point out that there are several benefits in having a multicultural team in a hotel environment. Finally, the author wants to emphasize that the organizations values about diversity and equality are important and should be taken into consideration in the everyday management. The author wishes that future research will be done on the subject as in the best scenario, multiculturalism will be seen as an enriching and fulfilling quality for the hotel industry in the future.

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## Attachments

Attachment 1. Thesis interview invitation letter

Dear Sir/Madam,

I'm studying at Haaga-Helia University of Applied Sciences (Hotel, Restaurant and Tourism Management) and currently writing my Bachelor's thesis. My thesis supervisor is Pirkko Salo and she highly recommended me to contact you as part of my study. The subject of my thesis is "Leadership strategies for an improved multicultural work environment in hotels in Helsinki". The purpose of the study is to find out what kind of multicultural management strategies are used and are they beneficial for the work environment.

As part of the empirical part of my study I'm going to interview hotel managers in Helsinki. This is why hearing your opinion on the subject is extremely important for the study. As an attachment of this email, you will find a short question form to fill in before the actual interview. The questions are based on the strategies found in literature and will help me to find out whether the strategies are applied in the actual management.

The short interview (approximately 20 minutes) will be held in English and it will be recorded. Kindly note that the interview is confidential and your replies will not be identifiable in the final thesis. As an attachment you will find the interview questions, so that you can read them beforehand.

The interviews will take place on week 3 (17.1) and week 4 (every day from 8-14). Please advise which day and time would suit you best. I would highly appreciate your help by taking part in this interview. I would highly value a quick response in order to advance with my study.

Best regards,

Anna Fredriksson



## Attachment 2. Thesis interview questions

### **1. Background questions**

- 1.1 What is your educational background? What is your degree?
- 1.2 Describe briefly your work history in the hospitality industry?
- 1.3 How long have you worked in this company?
- 1.4 What is your current workplace and position? What are your main tasks at work?
- 1.5 Explain our experience in working with people from other countries?
- 1.6 How many employees do you manage? How many of them are from other cultures? Can you list the countries for me please?

### **2. How do you describe the following concepts?**

- 2.1 Cultural diversity
- 2.2 Multicultural management

### **3. Strategy**

- 3.1 Does the organization have a clear strategy for multicultural/diversity issues?
- 3.2 If yes, can you briefly describe the strategy?
- 3.3 Does the organizations general strategy mention e.g. something about ethnic background, religion, equality etc.
- 3.4 If no, should there be one? Have you seen one elsewhere?
- 3.5 How is the strategy implemented in the everyday management? Please give some examples from then operational level?
- 3.6 What kind of tools and methods do you as a leader use to create a better multicultural environment?

### **4. Multicultural leadership**

- 4.1 Do you find managing a multicultural environment more challenging? Why? What are the main challenges?
- 4.2 In your opinion what are the positive and what are the negative effects of a multicultural team to the work environment?

Attachment 3. Likert scale questionnaire

**Please read through the following questions and answer according to the scale:**

5 I fully agree with the argument

4 I tend to agree with the argument

3 Neutral (neither agree nor disagree)

2 I tend to disagree with the argument

1 I totally disagree with the argument

**1. Building trust among the multicultural team is one of the most important tasks for a leader**

1            2            3            4            5

**2. Knowledge and interest in different cultures are one of the most important characteristics of a multicultural leader**

1            2            3            4            5

**3. As a leader I am prepared to change the leading strategy according to the needs of the multicultural work environment**

1            2            3            4            5

**4. As a leader I feel that the different cultural background should not be taken into account in the work environment**

1            2            3            4            5

**5. Employees' originating from different cultures should completely adapt into the Finnish work environment**

1            2            3            4            5

**6. An employee originating from another culture needs more supervision and guidance than a Finnish employee**

1            2            3            4            5

**7. As a leader I do everything to understand a foreign employee and his/hers cultural background**

1            2            3            4            5

**8. A foreign employee should not emphasize his own cultural background at the workplace and let it affect the work environment**

1            2            3            4            5

