Harmony in Hospitality: Do Leaders Need a Degree in Psychology to Master Multiculturalism?

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Abstract

As companies increasingly globalise, fostering diversity by attracting talented individuals from diverse nationalities, challenges arise in the form of heightened misunderstandings, miscommunications, and conflicts due to cultural differences. Such disparities impact individual performance and overall teamwork outcomes. To navigate these challenges, companies must strategically plan for intercultural adaptation, avoiding cultural pitfalls. Outstanding leadership becomes paramount in creating a harmonious environment and encouraging a common organizational culture. The case study draws insights from the Global Leadership and Organizational Behaviour Effectiveness (GLOBE) project and explores how the hospitality sector can seamlessly integrate talents within a multicultural workplace, particularly in luxury property settings. Findings reveal essential leadership qualities for effective communication in international teams and advocate for techniques that promote trust, equal information distribution and clear goals. Emphasising the value of deep-level team diversity, the paper underscores the necessity of flexible leadership styles to navigate complexities and ensure successful collaboration in the hospitality sector.

Key Words:

Introduction

In today's global business landscape, companies are expanding internationally and embracing diversity by integrating talents from various nationalities. However, this globalization has led to an increase in misunderstandings and conflicts due to cultural differences, impacting communication and organizational dynamics.

Managing a diverse team with both local and foreign members presents a significant challenge, requiring careful planning and strong leadership skills. Companies must strategically navigate individual and organizational adaptation in an intercultural marketplace to avoid cultural pitfalls. Fostering an environment where everyone can coexist harmoniously and contribute to a new shared organizational culture is crucial (Meyer, 2015). This challenge extends beyond individual perceptions and can reinforce stereotypes and intergroup biases based on nationality. Significant differences in nationality often impact individual performance, affecting overall team outcomes. These differences have been linked to various outcomes, including reduced promotion opportunities, diminished psychological attachment, lower levels of organizational citizenship behavior, decreased trust among colleagues, lower performance levels, and even lower salaries (Subaşi, 2017).

In addressing these challenges and suggesting effective leadership behaviors, an in-depth study has been conducted on a luxury property situated on a remote island. The property counts approximately 600 employees from 31 different nationalities, with 58% having been born and raised on the island and 70 % of the property's team is comprised of Muslims. The analysis extends to examining the behaviors of two leaders within this context. Operating in isolation without direct connections to the outside world, the luxury property demands specific attention to its distinct setting. Within this environment, daily professional collaboration and social interactions among employees contribute to the formation of a unique society. This dynamic gives rise to a distinct international workplace that cultivates its own set of rules, traditions, relationships, and a distinctive culture.

The primary objectives of this case study are:

- to extrapolate practical insights for hospitality leaders, illustrating management strategies for effectively integrating employees within a multicultural team.

- to provide valuable practices that can be applied by leaders in the hospitality sector to navigate the complexities of multicultural teamwork successfully to create a healthy and balanced environment, fostering a strong organizational culture and spirit.

Stage 1 - Theoretical Background - GLOBE

Understanding the influence of culture in organizations goes beyond common sense and general stereotypes based on nationality categories. It can serve as a parameter for effective preparation and development of leadership competences (Fernandes et al., 2020). The Global Leadership and Organizational Behavior Effectiveness project (GLOBE) compares attributes of effective leadership and societal expectations across cultures to identify commonalities and differences. It seeks to understand how these cultural variations impact leadership effectiveness and organizational outcomes. It outlined 10 social clusters that vary in their perception of effective leadership qualities, utilizing cultural dimensions based on unique cultural norms, beliefs, and identities that are transmitted across generations (House et al., 2014). Social cluster defined as a geographic region inhabited by people with similar or related cultures. Inside of the cluster there is cultural predominance that demonstrates acceptance to the set of competencies/behaviors and as a result can model leader profile (Fernandes et al., 2020). For instance, Middle East cluster comprised countries such as Qatar, Morocco, Turkey, Egypt and Kuwait, and Nordic East cluster includes Denmark, Finland and Sweden (Dorfman & Hanges, 2004).

GLOBE dimensions and their associated primary leadership dimensions

Another important question that GLOBE explores is whether certain qualities and actions of leaders are widely seen as helpful for effective leadership everywhere, and how these qualities and actions are connected to cultural traits. In international organizations, leaders should comprehend how they can influence their teams based on cultural backgrounds. It is crucial to analyse the values and how employees perceive managers who can effectively lead them, earn their respect and also understand how to manage relationships within the team, motivate individuals, and anticipate

behavior from people of different cultural clusters (*2004, 2007 Studies - GLOBE Project*, 2022).

GLOBE study resulted in the formation of 21 primary dimensions that collapsed into 6 global leadership dimensions (Table 1) that are universally relevant across cultures.

Table 1. Global and primary leadership dimensions

Global dimensions	Primary leadership dimensions
Charismatic/Value-Based Leadership	• Visionary • Inspirational • Self-sacrificial • Integrity • Decisive • Performance oriented
Team-Oriented Leadership	• Collaborative team orientation • Team integrator • Diplomatic • Malevolent (reverse scored) • Administratively competent
Participative Leadership	• Nonparticipative (reverse scored) • Autocratic (reverse scored)
Humane-Oriented Leadership	• Modesty • Humane orientation
Autonomous Leadership	• Autonomous
Self-Protective Leadership	• Self-centred • Status conscious • Internally competitive • Face saver • Bureaucratic

Note: From *GLOBE Project*, 2022 (http://www.globeproject.com).

These leadership dimensions were then rated by 17,000 managers in 62 societies to measure how behaviors/characteristics contribute to a person being an outstanding leader (House et al., 2014), on a 7-point Likert-type scale that ranged from a low of "This behavior or characteristic greatly inhibits a person from being an outstanding leader" to a high of "This behavior or characteristic contributes greatly to a person being an outstanding leader".

## Stage 1 - Analysis of the property using GLOBE 2020

Outstanding leader from the studied clusters

The first step was to provide a clear visualization of an outstanding leader defined by leadership dimensions in the studied luxury brand property using GLOBE 2020 results (*2004, 2007 Studies - GLOBE Project, 2022*) and average each leadership dimensions present in the property (Figure 1). The social clusters that were found in the studied property are presented in Table 2; other GLOBE 2020 social clusters were taken out of consideration.

Table 2. Studied social clusters

Social cluster	Eastern Europe	Latin Europe	Germanic Europe	Southern Asia	Confucian Asia	Anglo countries	Middle East
Countries	Kazakhstan, Poland, Russia	France, Portugal, Spain	Germany, Netherlands	India, Indonesia, Malaysia, Philippines, Thailand	China, Japan	UK	Egypt, Morocco, Turkey

Figure 1. Leadership visualization per studied social clusters
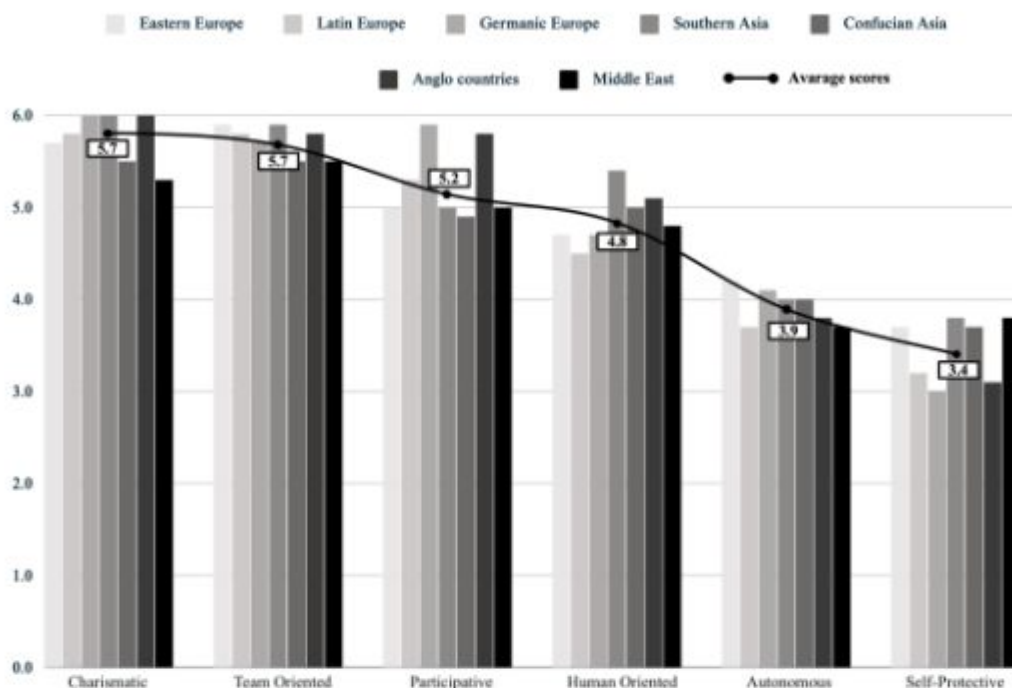
Note. Elaborated by the author from *GLOBE Project* data collection, 2022 (http://www.globeproject.com).

In Eastern Europe, individuals are accustomed to power differentiation and exhibit conformist and aggressive behavior. They prioritize team orientation and loyalty, favoring an autonomous leadership style where guidance is followed without active participation in decision-making. A successful leader in this context requires charisma, encompassing visionary, inspirational, self-sacrificing, integral, decisive, and performance-oriented qualities. Notably, this cluster demonstrates high scores in Team-orientation (5.9) and Autonomy (4.2). Effective team building with a diplomatic and collaborative approach is crucial, alongside maintaining independence to uphold a strong leadership position (*Results - Eastern Europe GLOBE Project*, 2022).

In Latin Europe, similar to Eastern Europe, there is a focus on power differentiation and high performance. However, this cluster seeks to increase in-group and institutional collectivism, indicating a preference for collective resource distribution and actions to enhance individual cohesiveness and loyalty. A charismatic leader with a realistic vision, who involves team members in decision-making, is valued here (Charisma score: 5.8) (*Results - Latin America GLOBE Project*, 2022).

The Germanic cluster values performance rewards and has a high uncertainty avoidance score. Despite low scores in Human Orientation and In-group Collectivism, this society emphasizes participative leadership and the ability to inspire and motivate (Participative Leadership score: 5.9; Charisma score: 6) (*Results - Germanic Europe GLOBE Project*, 2022).

Southern Asian and Confucian Asian clusters accept power differentials and emphasize social order and stability. Leaders in these contexts are somewhat team-oriented but less participative, often making independent decisions without extensive team engagement (*Results - Confucian Asia GLOBE Project*, 2022; *Results - Southern Asia GLOBE Project*, 2022).

The GLOBE Anglo cluster, traditionally performance-oriented, seeks a more humane society with gender equality. Leaders in this cluster are expected to value freedom, delegate responsibilities, and have a realistic vision (Charisma score: 6). Self-centeredness inhibits outstanding leadership (*Results - Anglo GLOBE Project*, 2022).

In the Middle East cluster, there is a low dimension of future and performance orientation. The outstanding leadership profile in the Middle East is unique among the 7 studied clusters, focusing on status enhancement and face-saving, with a deep understanding of the Arab world and Islam religion. They de-emphasize charismatic and group-oriented leadership, with a notable score in Self-Protective leadership (3.8) (Results - Middle East GLOBE Project, 2022).

When analysing the overall averages of each leadership dimensions, hospitality leaders who manage studied social clusters should exhibit a combination of these attributes to be as close as possible to an outstanding leader:

- Being charismatic, that reflects to the ability to inspire and motivate, rated as desirable behavior across clusters.

- Fostering team-oriented approach with common goals and realistic vision for exceptional performance.

- Being participative, by delegating effectively and distributing power and information equally among all organization levels.

Having clear understanding of Muslim culture, as the majority of employees adhere to this religion.

Stage 2 – Theoretical background - RW3 Global Leadership Model

In order for leaders to be as close as possible to an outstanding leader, the use of RW3 Global Leadership Model, comprising Self-Awareness/Authenticity, Global Mindset, and Building Trust/Enabling Collaboration, is crucial (Schell & Solomon, 2019). Leaders must prioritize self-awareness, understanding how their behavior is perceived and adapting to diverse team traits and effective behaviors. The Self-Awareness Authenticity Cycle (Figure 2) facilitates personal growth, enabling leaders to be motivational, inspirational, and charismatic—qualities essential for effective leadership (Schell, 2019).

Figure 2. Self-Awareness Authenticity Cycle

Note: From *The Importance of Global Leadership Skills*, by Schell and Solomon, 2019, RW3 Culture Wizard, p.4.

Self-awareness and Life story

Beginning with Self-Awareness and the identification of one' Life Story, leaders must cultivate a profound understanding of their perception regarding various cultural aspects for comprehending current actions and

behaviors. It is essential for individuals to scrutinize their experiences and evaluate personal biases that may compromise their leadership position within a specific team.

To enhance comprehension, the second stage of the research involved conducting two interviews with property leaders. They were selected through purposive sampling to ensure representation across roles with distinct level of power and to capture differences in cultural background and personal experience. Initial contact with potential participants was made in-person, explaining the purpose of the study and voluntary nature of participation. Interviews were conducted in English in a private setting to encourage open dialog, based on prepared and probing questions. With participants' consent, the interviews were recorded for further analysis while ensuring anonymity and confidentiality. Interview durations ranged from 30-60 minutes. The gathered data was transcribed and analysed thematically to uncover patterns and perspectives relevant to the research's chosen theories and practices. A summary of the interviewees' profiles can be found in Table 3.

Table 3. Interviewees' profiles

	Interviewee 1	Interviewee 2
Origin	India (Cluster: South Asia)	Portugal (Cluster: Latin Europe)
Gender	Male	Male
Religion	Islam	Christianity
Position	Food & Beverage Director	Resort Manager
Experienced cultural issues	• Racism • Unequal treatment • Differences in salary • Demotivation	• Cultural barriers • Different ways to approach same situation
Importance of team diversity	• Underestimation of cultural background on team members' leadership expectations • Personality is more important than cultural background	• Different personalities, different cultures and different people bring different approaches and open learning opportunities • Looking always into the personality and attitude, not nationality

| Leadership strategies | • Managing personalities, not nationalities
 • Understand strengths and weaknesses of each team member and appreciate strengths to transform critics of weaknesses into learning process
 • Team involvement in decision-making process
 • Being close to people and treat everyone equally
 • Recruit people with right attitude, not skills | • Be careful and adaptable in the approach towards people because these are different personalities
 • Leading by example
 • No favouritism
 • Healthy discussion
 • Conflicts are unavoidable, leader should not react right away, but try to find a reason behind to reach middle ground inside the team |
| Outstanding leader | • Flexible
 • Team-oriented
 • Let people speak and be ready to listen and understand; leader should be someone people open to talk to | • Flexible
 • Performance oriented with attention to details
 • Participative
 • Do better - keep the team motivated
 • Bureaucratic |

To align the outstanding leader dimensions from GLOBE 2020 (2004, 2007 Studies - GLOBE Project, 2022) with the perspective of the current leaders in the property, the authors requested the interviewees to assign a score to each dimension using a consistent scale ranging from 1 to 7 to evaluate what in their opinion contributes or inhibit to outstanding leadership. Results are outlined in Table 4.

Table 4. Interviewees' evaluation of GLOBE dimensions

	Charismatic	Team orientated	Participative	Human oriented	Autonomous	Self-protective
Interviewee 1	6	6	7	7	2	1
Interviewee 2	7	7	4	7	3	1

Both interviewees view themselves as charismatic leaders, emphasizing the importance of leading by example: "It is your body language, your attitude, the way you talk, the way you walk, the way you look, the way you present yourself, that's how people find you charismatic as a leader and they've tried to follow you." They possess the ability to motivate and inspire while understanding individual needs and challenges, in line with findings from GLOBE clusters within the resort context. Cultural background is deemed less important compared to personality traits, with a focus on understanding team members' strengths and weaknesses to drive improved performance.

Regarding participative leadership, Interviewee 1 emphasizes the importance of involving the team for comprehensive problem-solving, while Interviewee 2 advocates for a balanced approach, considering the autonomy of the team. This discrepancy may stem from their differing positions within the organization, with Interviewee 2 overseeing a larger scope of responsibility.

Both leaders agree that the self-protective dimension hinders effective leadership, but Interviewee 1's perspective is shaped by experience in the Middle East, where status enhancement and face-saving are emphasized. Interviewee 2 believes that while self-protective leadership inhibits effectiveness, a bureaucratic approach is necessary for standardization regardless of nationality.
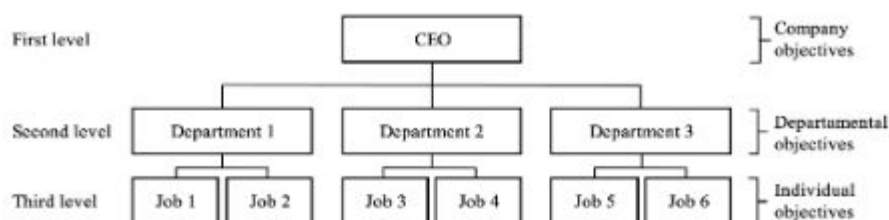
Identify and reflect

The next steps in the Self-Awareness Authenticity Cycle involve identifying team values and leadership expectations, comparing them with those outlined in the GLOBE study, and selecting appropriate leadership styles to develop global leadership skills while understanding one's international experience, biases, and perceptions.

Leaders must cultivate flexibility and employ customized approaches to foster adaptive leadership without compromising business values and objectives (Schell & Solomon, 2019). Flexibility in communication styles and processes enables leaders to be more effective in cross-cultural contexts. It is crucial for leaders to understand their own preferences while allowing others the freedom to communicate in diverse ways without judgment. Assuming positive intentions facilitates healthy conversations, helping to discern team members' intent and the impact of behavior on workflow. Cultural differences may lead to confusion and misinterpretation in communication and behavior. In such instances, leaders should utilize the D.I.E. process (Describe, Interpret, Evaluate) to ensure the accuracy of assumptions (Stringer & Cassiday, 2009).

Trust is a foundation upon effective workflow inside the team. Support trusting environment enable people to take risk and intellectually contribute to performance, that means performance is an indicator of successful leadership, that needs to be measured and appreciated by leaders (Schell & Solomon, 2019).

To reach high performance, leaders can implement Management by Objective (MBO) program, which emphasizes on setting tangible, verifiable and measurable goals. Common clear goal can maintain motivation of diverse team, creating coherence and full team dedication, streamlining decision making process and eliminating actions that are inconsistent with global interest. Organizational objectives should be translated into specific objectives for each level. Lower-unit managers can partly set their own goals that are interconnected with other level objectives and correspond to main goal. Team members from specific department know more needs and problems of their operations that means each team/member can adapt its/their approach to overall company objective. In this way, according to structure and hierarchy, cascading of objectives can be implemented (Figure 3), showing trust to team/members' decisions and actions from leadership perspective.

Figure 3. Cascading of objectives according to the organizational chart

First level		CEO				Company objectives
Second level	Department 1		Department 2		Department 3	Departmental objectives
Third level	Job 1	Job 2	Job 3	Job 4	Job 5	Job 6	Individual objectives

Note. Elaborated by the author.

Authenticity

The core of outstanding leadership is authenticity, a quality that has become increasingly rare in today's world due to overconfidence and feelings of infallibility. Authentic leaders, in their day-to-day interactions, foster a sense of connection and relatability. They consistently demonstrate respect for individuals with differing beliefs, express genuine interest in diverse opinions and ideas, and actively seek common ground. Open and honest communication nurtures engagement within the team, as members feel valued and meaningful relationships are forged (Miller Perkins, 2023). The Self-Awareness Authenticity Cycle reinforces the idea of continual development towards authenticity. It is an ongoing process and lifelong commitment that yields invaluable leadership results, emphasizing self-awareness, and team growth, trust, and a focus on mutual understanding.

Recommendations

Recommendations for organisational improvement and development stem from both leadership perspective and style within a multicultural environment. While demographics often lead to surface-level diversity perceptions, deeper understanding reveals shared values and personalities, emphasising the importance of personality over nationality. Each team member requires an individualised leadership approach, highlighting the need for flexibility in leadership styles.

According to GLOBE 2020 (2004, 2007 Studies - GLOBE Project, 2022), an outstanding leader in the studied property must be charismatic, team-oriented, and participative, with a clear understanding of religious norms. Moreover, religious stands as one of the pillars of organizational culture and serves as a determinant of cultural norms, values, and rules governing individual and community conduct (Barabara, 2020).

Setting goals and cascading them into smaller objectives promotes adaptability to both management guidance and employee needs, fostering

performance-focused operations with equitable power and information distribution.

Managers should lead with curiosity, continuously learning about the work environment through questioning and information gathering, while analysing themselves to eliminate biases. Integrating foreigners and locals in a multicultural workplace necessitates integrating cultural perspectives and individual personality traits.

Improvements can increase employee motivation and satisfaction, as individuals feel their contributions impact company success. Given the interconnected nature of work and life in the hospitality sector, fostering an environment of trust, curiosity, and comfort requires equal attention to employees as to guests.

Conclusion

This case study is suitable for undergraduate and graduate level courses with emphasis on leadership, talent management. Learning outcomes, questions and instructor's notes could be developed.

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