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ADJUSTMENTS IN INTERCULTURAL COMMUNICATION OF EXPATRIATE AND
HOST NATIONAL IN LOCAL OPERATION

by

Hanna Lee

**Masters of Hospitality Administration
University of Nevada, Las Vegas
2010**

A professional paper submitted in partial fulfillment
of the requirements for the

**Master of Hospitality Administration
William F. Harrah College of Hotel Administration**

**Graduate College
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August 2010**

ABSTRACT**Adjustments in inter-cultural communication of expatriate and host national in local operation**

by

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Due to the global expansion of international hotel chains into culturally isolated countries, such as China, many hotels are in need of qualified staffs in local operation where a strong culture exists. When expatriate managers are sent abroad for overseas assignments, they are often confronted with the conflicts that are caused by inter-cultural differences between expatriates and host nationals. This paper examines several aspects of cultural and interpersonal issues involved in the conflicts, and seeks to determine any necessary adjustment from the information gathered by telephone interviews with the current expatriate managers in Beijing, China. Furthermore, the study discusses essential skills needed for expatriate and local managers to accomplish their objectives better.

TABLE OF CONTENTS

ABSTRACT.....	2
TABLE OF CONTENTS.....	3
LIST OF FIGURES.....	5
LIST OF TABLES.....	6
ACKNOWLEDGMENTS.....	7
PART ONE.....	8
Purpose.....	8
Statement of problems.....	9
Statement of objectives.....	9
Justification.....	9
Constraints.....	9
PART TWO.....	10
Literature Review.....	11
Cultural Chinese history.....	11
Face.....	12
Culture differences.....	12
Confucianism.....	13
Individualism vs. Collectivism.....	13
Power distance.....	14
The western culture.....	15
Conflicts.....	15
Feature of Chinese culture.....	16
Expatriates' culture shock.....	17
Selecting expatriates.....	18
The necessity of managerial development in China.....	19
Inter-cultural training program for foreign managers.....	19
Conclusion.....	20
PART THREE.....	21
Telephone interview.....	22
Tell a story.....	23
Inter-personal and cultural question.....	23
Results.....	24
Host nationals.....	25
Expatriates.....	26
Discussion.....	27
Current cross-cultural training programs.....	29
Training expatriates.....	30
Training locals.....	31

Conclusions and recommendations for future research.....31
References.....33

LIST OF FIGURES

Figure 1 Eight steps of selection expatriates.....41

LIST OF TABLES

Table 1	Problem of local managers.....	35
Table 2	Problem of expatriate managers.....	37
Table 3	Skills needed by expatriate managers.....	39
Table 4	Skills needed by local managers.....	40

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Adjustments in inter-cultural communication of expatriate and host national in local operation

PART ONE

When China opened to the West in the late 1970s, an overwhelming number of international tourists visiting China created a huge demand for the expansion of China's then-vastly underdeveloped hospitality industry. Especially with China lifting much of its restrictions on the industry, the business potential of the field exponentially increased, drawing countless local and foreign investors into China. Now, with 54.7 million people visiting China annually (UNWTO, 2008), the growth of the Chinese hospitality industry seems to continue, if not distend to a greater extent. And with the need to build facilities for hosting inbound tourists, much of the investment towards the field has been spent on hotel construction and renovation for the past twelve years (as cited in Tsang & Qu, 2000).

However, following the establishment of new hotels, it generates the need for the installment of proper management. In the case of China, the short supply of sufficiently-trained local management personnel has encouraged many international hospitality corporates to utilize their current staffs by sending them abroad to China for various training/management purposes (Treven, 2006). Unfortunately, the choice of utilizing foreign human resources (addressed as "expatriates" onward) has caused many cross-cultural and interpersonal conflicts between expatriates and locally-hired employees. This observation, thus, asks for a thorough examination of such conflicts in order to establish better and more-rewarding management transition between expatriates and local staffs.

By conducting qualitative interviews via telephone with two current expatriate managers who were subject to the aforementioned conflicts in China, the personal communication experiences seek to investigate feasible causes and to discover any managing adjustment necessary to the current system for expatriates to better fulfill their oversea tasks.

Purpose

The purpose of this study is to investigate the interpersonal conflicts that many expatriates experience particularly in China due to cultural differences. This study also aims to identify any adjustment necessary to address such issues that may arise between expatriates and host nationals in local operation.

Statement of problem

China has been notoriously known for its reluctance to adopt foreign values, and for its insistence on its own set of strong nationalistic ideals. And when expatriate managers return from their oversea assignments, they often blame culture shock as well as the stress from various cultural confrontations for their low-satisfaction from the works done abroad (Newman, 2004). A high rate of assignment failure and turnover in China can also be attributed to such cultural conflicts as well (as cited in Jassawalla et al., 2004).

Statement of objectives

This study examines several aspects of the interpersonal conflicts, particularly in the realm of cultural differences. The paper also reflects upon the matter in regards to the host nation's cultural beliefs.

Justification

This research will help expatriates to acquire enhanced managerial skills to better fulfill their assigned roles by offering efficient ways to avoid such conflicts as well as by developing new perspectives about cultural differences within their minds.

Constraints

One of several possible constraints stems from having to conduct the interviews via telephone. This may prevent interviewees from revealing more personal difficulties experienced or sensitive issues that are related to the core of this study that they otherwise would have revealed through face-to-face interviews. Furthermore, the fact that this study is pursued only from the expatriates' point of view may prevent the study conductor from

grasping a more accurate overall image of the problem. Another possible constraint is that the study conductor may generalize the problems that are only particular to the Chinese hospitality field, and assume that the same can be seen in other nations.

PART TWO

Literature Review

In the late 1970s, China finally decided to adopt the Open Door Policy, allowing foreign tourists to travel China for the first time in many years without any governmental restriction. Prior to the adaptation of the Open Door Policy, various restrictions on the tourism industry of China limited its expansion, and made it extremely difficult for tourists to visit China. Gluckman (1993) even stated that “China (had) for years been considered an hoteliers’ hell” (as cited in Huyton & Sutton, 1996, p. 22). Yu (1992) also mentioned that tourists from all over the world were very demanding on China’s undeveloped hospitality industry, and China has started considering that hotel development is a very important part of China’s tourism industry (as cited in Tsang & Qu, 2000).

In spite of such efforts, Chinese hotels’ overall quality of service likely will not reach international standards immediately. According to the study of Cai and Woods (1993), service barriers in hotel industry have been found in facility management, central reservation system, and substandard cleanliness (as cited in Tsang & Qu, 2000). Without a pre-set management system or a pool of qualified managing personnel to effectively lead the make-over, adapting western-based management in the industry was an inevitable decision to make.

However, adapting western-based management did not pose an immediate solution to such problems either. With the poor language ability and communication skills of local employees, expatriate managing staffs frequently struggled with the installation of a new management system (Cai & Woods, 1993). Unfortunately, such struggles between the local employees and expatriates only exacerbated the symptoms of an inadequate infrastructure,

while promoting high expatriate turnover and poor service from staff members. As means of resolving this problematic issue, Magnini and Ford (2004) suggested that international hotel chains need to develop their own training program to help both expatriate managers and local managers understand linguistic as well as cultural differences between them.

Many expatriate staffs report that in the countries that have been exposed to a constant influx of international cultural values, it was much easier to interact with local staffs and to implement new managerial values into a pre-existing management system. However, China, coming out of the countless years of cultural isolation, has been revealing the trend that contradicts with those of the aforementioned countries (Keller & Kronstedt, 2005). According to Keller and Kronstedt, this is partly due to a sense of cultural superiority that has been established within the mindsets of Chinese over the long course of cultural isolation. Due to this notion, many Chinese people are reluctant to accept new knowledge or technological assistance from other countries. And this sequentially leads to even slower developmental pace of the Chinese hotel industry.

Cultural Chinese history

China boasts a long rich history and a great depth of culture. Over the course of many centuries, China successfully preserved their own culture and defended their cultural principles against the flow of western values. However, in the years following the installment of the Chinese Communist Party (CCP) and the Cultural Revolution of China, China has gone through some radical cultural changes and transformations. One result is that more Chinese and transformations to become more westernized in their living style, China is quickly incorporating more and more western values into their traditionally conservative culture (Keller & Kronstedt, 2005). By hosting 2008 Beijing Olympic and by allowing many western corporations to take advantage of various economic opportunities within China, China is turning away from its history of isolation and self-management.

Face

While China may be going through some radical cultural changes, they still have problems in accepting the new values from the West and admitting their lack of knowledge in certain areas. Thus, to better understand the aforementioned problems of Chinese failure to fully adopt the western management system, something called “face” should first be evaluated. Keller and Kronstedt (2005) stated that “Saving face is a very strong psychological drive in China, and this paradigm could be one of the major barriers to change” (p. 71).

In a restaurant, for instance, when a local waiter is confronted by a customer over a service issue, he tends to avoid the situation and refute the fact that he did something wrong. As a service provider, having difficulties in admitting mistakes essentially denies his chance of enhancing his job performance. This tendency of the Chinese not only slows down the developmental progress of the Chinese hospitality field, but also makes many expatriate managers feel unpleasant and frustrated, ultimately causing them to drop out of their jobs abroad.

Cultural differences

According to Hofstede (1980), culture can be understood as “a collective programming of the mind” (as cited in Mwaura, Sutton, & Roberts, 1998, p. 213). Hofstede (2001) further noted that cultural difference, based on his dichotomous framework, has been implemented in manager training and as a general background for the industry (as cited in Mwaura et al., 1998). In differentiating between cultures, Hofstede particularly focuses on both the shared values, and the traits that are unique to specific nations. Following this understanding, the Chinese culture is recognized as having widely divergent values and traits than western culture. This presents a significant problem in joint management ventures when the participants are from Eastern and Western cultures.

Such Chinese cultural background, attitude, and value can be identified in terms of Confucianism, Individualism and Collectivism, Low-context and High-context and Power distance.

Confucianism

Chinese culture is deeply related to Confucianism. Confucius lived from 551-479 BC. Craig (1998, cited in Keller & Kronstedt, 2005) noted that “*The Analects*, a composite work, is commonly considered the main and most reliable source of Confucius’ teachings” (p. 60). Since the days of dynasties, the foundation of Chinese culture has always had its root within the boundaries of Confucian ideologies. According to Keller and Kronstedt (2005), people in Confucian culture are a very much relationship and family-oriented. They attach themselves to each other’s life, and think that family is of the utmost importance. This belief contains both collectivism and individualism.

Individualism vs. Collectivism

The most fundamental difference between a western culture and an eastern culture, including Chinese, may be explained by understanding the differences between Individualism and Collectivism. The Collectivists in China strongly focuses on the importance of the group rather than that of the individual. Littrell (2002) noted that, to Collectivists, being in a group entitles them to identity, security and dependable association with other individuals. Littrell (2002) defined that collectivist characteristics include:

- Large family structures with intimate working relationships, small living spaces that are cohabited with others, empathy for fellow individuals, minimal conflict.
- Non-conformity is regarded as a character defect.
- Breaks and periodic leave for familial occurrences are a frequent occurrence.
- Collectivist society influence behavior through shame and ostracizing.
- Intra-familial business hiring is practiced to reduce risk.

- Subpar job performance more frequently results in reassignment than job loss.
- Employees may prefer both solo and group work.
- An external and internal business dichotomy exists, with family members and intimate associates receiving better treatment.
- Communication is generally highly contextualized.
- University education grants one access to high status sections of society.
- Boss and employee relations are understood in moral terms.
- Personal relations are valued over work tasks.
- All management is group management.
- The group is privy to the individual's personal matters.
- The collective group predetermines opinions.
- Laws and individual rights vary by group.

These factors that often define the basis of Chinese attitudes and values may be used to explain the visible difficulties that are seen when western management tries to incorporate their independent and individual-oriented values into the Chinese society of collectivist principles.

Power distance

Another feature, which can be used in explaining the difference between expatriates and locals in the work place, is the degree of power distance. Hofstede (1985) defined the concept of power distance as “the extent to which the members of a society accept that power in institutions and organizations is distributed unequally” (as cited in Schermerhorn & Bond, 1997, p. 348). In other words, the people associated with a high power distance tend to obey their superiors and follow their commands. They are content with being alienated from decision making, and allow themselves to be subject to authority. Bond (1996, cited in

Littrell, 2002) described the relationship between supervisors and subordinates in the work place as:

- The supervisors consistency in adhering to expected standards is a primary reason for subordinate motivation
- Chinese subordinates expect leaders to be kind and empathetic, and follow Confucian standards
- Sound moral judgment is also expected: honesty, self-restraint, and trustworthiness.

Therefore, Chinese cultural background differs from the western cultural background significantly as seen above. These differences tend to lead Chinese attitudes and behaviors in ways which foreign nationals do not understand.

The western culture

The western culture enormously differs from eastern culture. Littrell (2002) defined western's characteristics as:

- Emphasizing individualism over collectivism
- Emphasizing responsibilities over rights
- Democratic morals and high importance on work
- Rationality over superstition or religion

The above elements are not of other typical Asian cultures, including the Chinese culture. Thus, their cross-cultural conflicts at a workplace between the expatriates from non-Asian cultures and the local Chinese employees are also often present.

Conflicts

Ting-Toomey (2000) noted that conflict is defined as a collision of incompatible culture values, expectations and point of views (as cited in Samovar & Porter, 2000). The most common cause of cross-cultural conflict is people's tendency to expect others to react to certain situations in the same manner as they would (Craig, 2001, cited in Keller & Kronstedt,

2005). According to Craig, many foreigners who visit China find it difficult to experience a sense of diversity in China. Despite the fact that Chinese nowadays more frequently dine at McDonald's and watch Yao Ming play for Houston Rockets, it is hard to assume that they now think or behave as we do. According to Bond's survey on people of different cultural backgrounds (2002, cited in Keller & Kronstedt, 2005), it is quite clear how many values, such as those shown below, still are perceived very differently by Chinese and Americans.

<u>Chinese value</u>	<u>American perception</u>
Parental Obedience	Outdated cultural standards
Diligent work	Factory labor
Acceptance	Overly conforming
Cooperation	Fear of conflict
Humility	Unconfident
Obedience to Managers	Weak willed
Recognition of tradition	Irrational
Returning of favors	Lack of individuality
Benevolence	Sycophant

This indicates the necessity of proper understanding of Chinese culture in order to eliminate any room for communication errors and conflicts. Thus, Keller and Kronstedt (2005) asserts that a great amount of patience and communication skill is essential for working with people from different backgrounds, in this case, Chinese people.

Feature of Chinese culture

In the Great Wall Sheraton Hotel Beijing, for example, one expatriate employee was heavily criticized by the local staffs for her uncooperativeness at work and supposedly rude attitude towards customers. According to the expatriate, however, she only tried to adhere to the corporate standards of Sheraton and stay professional towards co-workers as well as

towards her customers. However, such efforts on her part only make her appear rude and undesirable to the locals who consider the ability to maintain good personal relationships with co-workers as the key to successful business environments.

While many Western societies, including American, regard the involvement of personal feelings in business as major distraction, it is actually very much appreciated in the Chinese culture. In China, starting a business relationship between two parties requires the establishment of trust, which, according to the Chinese culture, cannot be accomplished without the installment of proper personal relationships. This notion causes the Chinese people to consider teamwork and co-operation of more importance than individual business insights or personal talents. Instead of openness and straightforwardness that many American businessmen appreciate in business environment, politeness and humbleness are much more valued in the Chinese business culture (Agmed & Li, 1996, cited in Mwaura et al, 1998).

Expatriates' culture shock

Working in a foreign country almost always entitles expatriate managers to unfamiliar surroundings. And this normally grants the expatriates the luxury of language barriers and of cultural differences. Selmer (2005) selects China as a uniquely challenging destination for expatriate managers in the sense that the gap of cultural difference and the extent of language struggle are especially great in China. For example, in the case where a Chinese manager is older than an expatriate staff, the Chinese culture expects the younger expatriate to show respect to the elder local regardless of the authority vested upon his position. Even in speaking Chinese, the younger expatriate is expected to use certain terms that are designated only for elders to the Chinese manager (Selmer, 2005). Another example would be the issue of trust in the Chinese culture. The concept of trust to Chinese people is not as simple as we would expect it to be. According to Littrell (2002), any question from a foreigner is first met with skepticism, rather than a simple and direct answer. Prior to the

establishment of trust between an expatriate staff and a Chinese manager, the expatriate needs to explain the logics and reasons behind every one of his business-related actions. As many foreign staffs do not know or agree to these seemingly strange cultural concepts that are strongly enforced in the Chinese business world, many expatriate staffs find their cultural shock not only shocking, but also unpleasant.

Selecting expatriate managers

The task of selecting an appropriate expatriate manager for a given overseas assignment should always be of the utmost importance as it could very well determine the outcome of the assignment. The past methods primarily concentrated on identifying individual merits or past managerial performance of candidates. However, if an organization is truly committed to the success of overseas assignments, the cultural fitness or competence of an expatriate manager in a particular setting should be thoroughly examined before determining his competence as a candidate (as cited in Harvey & Novicevic, 2001). For this reason, Harvey and Novicevic (2001) believe that there should be a specially designed step-by-step selection process for this purpose. Figure 1 illustrates what Harvey and Novicevic believe to be the proper selection procedure for expatriate managers. With the competent and skilled expatriates who are also culturally fitted for overseas assignments, the organization should be able to lower the turnover rate of expatriate managers and increase the success rate of overseas assignments (Harvey & Novicevic, 2001).

As much as the expatriate selection process is important, follow-up cross cultural training is essential as well. Starting from a single day program that familiarizes an expatriate manager with the culture of his assigned country to an extensive cultural training program that even incorporates a language course; various cultural training programs should be organized and facilitated for the complete success of overseas assignment. Selmer (2005)

even argues that such efforts will only be greeted and appreciated by locals, and eventually help expatriates to be excused from locals' prejudice towards foreigners.

The necessity of managerial development in China

The 1978 Open Door Policy, while having produced a rapid growth in the Chinese economy, has introduced new problems to the hospitality industry of China. Prior to the implementation of the policy, China had another national policy called "Iron Rice Bowl" (Warner, 1985, cited in Branine, 2005), which basically granted every worker the same amount of stipend regardless of his or her performance. This, in a sense, prevented the Chinese workers from being motivated to improve his or her work performance. Consequently, the Chinese government felt dire need for management training. When the year of 1978 came, this lack of competent local managers obviously failed to meet the managerial demand of the new policy. In the following years, the Chinese government realized of the importance of management education and laid their primary focus on tourism and hospitality education. As a part of such effort, in the span of twelve years from 1986 to 1998, the Chinese government increased the number of hospitality schools from 27 to 936, offering new educational opportunities to over 25,000 students (Lam & Xiao, 2000).

Inter-cultural training for foreign managers

According to Luthans and Farner (2002), the overseas assignments almost always require cultural awareness, as well as the ability to adapt to on-the-job challenges from expatriate managers. As a result, many international hospitality organizations find it necessary to develop some type of cross-cultural training programs to develop such desirable traits within their expatriate staffs. The active utilization of such programs helps the organizations to control the turnover rate of expatriate managers as well as the success rate of their overseas assignments.

Cross-cultural training programs are not necessarily only for expatriates; they can benefit local staffs as well. When locals go through similar cross-cultural training programs, they become more willing to accept the cultural differences that are present with expatriates, and become more knowledgeable of what can be done to reduce the gap of understanding between themselves and expatriates.

Unfortunately, while the current cross-cultural training programs are helpful, they still do not allow either expatriates or locals to fully acquire the managerial or interpersonal skills that are integral to the successful completion of overseas assignments. Luthans and Farner (2002) recognized this problem and came up with a cross-cultural program called, “360-degree feedback (Luthans and Farner, 2002)”. This feedback program differs from the pre-existing ones in the sense that it allows participants to gather a substantially larger amount of information on their performances and cultural understanding compared to the current ones through the usage of extensive surveys. This, in turn, helps expatriates and locals to become more self-aware of their own performances, ultimately providing them with the opportunities to analyze their mistakes and enhance the quality of their work.

In the face of the inter-cultural sensitivity between expatriate managers and local Chinese managers adjusting in comprehending both sides of views, this study attempts to identify various features of the foreign and Chinese cultural background and to find out how these different elements influence in workplace when expatriate managers and local Chinese manager work together. Results of the study highlight the relationship between foreign managers and local managers in the cultural and interpersonal differences.

Conclusion

Ever since the installment of Open Door Policy, there has been a big expansion of hospitality industry in China. With many international hospitality corporations swarming into the country to participate in the expansion, countless hotels are currently being built and

going through renovations. As the previously-enforced Chinese tourism restrictions prevented China to develop any solid hotel management infrastructure or pool of qualified management staffs, many hotels in China are in the process of adopting the western management system through expatriate management staffs.

However, due to various forms of interpersonal conflicts that stem from the cultural differences between the local staffs and the expatriates, the make-over of the Chinese tourism industry has been slowed down to a great level. Thus, in order to induce more efficient growth of the Chinese hotel industry, China needs to eliminate the cultural differences through the establishment of new training programs that can lead the local employees to more willingly cooperate with the expatriates and to accept new knowledge and skill sets without the strong resentment towards the western values. China also needs to decrease the gap of understanding between the local employees and the expatriates through the appropriate analysis of the cultural differences and how such differences can impact the interpretation of each other's needs and values. Furthermore, this analysis should investigate the fundamentals of different ideals of respective cultures, such as individualism and collectivism, in order to bring about most comprehensive changes that can resolve these issues. Such changes will lower the turnover rate of expatriates and ease the incorporation of the western management system into the Chinese hotel industry, thereby promoting more efficient and solid development of the Chinese hospitality industry.

PART THREE

This part introduces the results of the conflict adjustments between expatriates and local associates, Chinese in particular, of hotel industry by conducting telephone interviews. The interview results are used to analyze how cultural & inter-personal sensitivity and critical communication incidents of expatriates influence expatriates' conflicts with local associates.

The purpose of this study is to investigate the results and to generate possible follow-up actions to the conflicts or ways to prevent them.

Telephone interview

The decision to conduct telephone interviews is based on its benefits associated with easy access, time and cost saving (Saunders, 2003). Two expatriate managers were interviewed. The first interviewee is the director of rooms at the Great Wall Sheraton Beijing. He is originally from America and has been working for various hotels in Asia for nearly eight years, including three years at the current hotel. With over 800 guest rooms, the Great Wall Sheraton Hotel Beijing is perhaps the largest hotels to operating in China since the induction of the Chinese Open Door Policy in 1985. The second interviewee is the guest relations manager at the Grand Hyatt Beijing. She has been with the hotel for 2 years and had worked in Europe for years prior to relocating to China. Built in 2001, The Grand Hyatt Beijing is the city's most recently launched major hotel.

Tell a story

In order to study the impact of cultural and inter-personal sensitivity on this matter, numerous variables that are directly or indirectly related to an expatriate's cultural sensitivity or inter-personal sensitivity are examined. First, the factors such as age, educational background, cultural difference, or work experience in China are considered to study the role of cultural sensitivity. And the variables such as extent of direct contact with local associates, knowledge of the Chinese language or the importance of various managerial competences are considered to study the relationship between the inter-personal sensitivity of expatriates and the aforementioned conflicts.

Each interviewee was asked to recollect any work-related incident from his own experience that stemmed from a critical communication error. To be more specific, these critical communication incidents are supposed to be significant challenges that caused

conflicts between expatriates and local associates in international hotel operation (Bell, 2001; Eisenhardt, 1991, cited in Neupert, Baughn, & Lam-Dao., 2005). Such an analysis allows us to further understand the nature of the problems between expatriate managers and local Chinese managers.

To explore the previously-mentioned variables, the researcher uses the following questions during telephone interviews. The interview questions are open-ended so that respondents may tell their stories of critical communication incident more freely.

Inter-personal and cultural questions

- How do you like meeting new Chinese people?
- How often do you have chance to talk to Chinese colleagues?
- Do you prefer spending time with other expatriate managers?
- How often do you join your Chinese employees for the meal or other informal activities?
- Do you eat in local Chinese restaurant?
- Do you even try to get familiar with local Chinese cultures?
- Do you like watching Chinese movie or listening Chinese music?
- Do you think that the ability of the language is important to understand local culture?
- How do you feel when working with Chinese managers?
- Do you feel comfortable with making Chinese friends at work?
- Do you feel upset or get frustrated when you explain something to Chinese employees?
- Do you feel uncomfortable and inefficient working with local employees because conflicts exist?
- How do you react when dealing with conflicts with Chinese employees?
- Have you had cross-cultural training before your arrival or after?

- What skills are most needed for overseas assignment to be successful?

Results

Throughout the telephone interviews of the managers, the responses exposed certain similarities and differences between the view-points of the foreign and local managers. Particularly in the inter-personal variables, a great deal of difference was observed between the foreign and local managers. Respondents were able to provide and explain local managers' situations, and that information was helpful to make a characteristic comparison between two different groups.

First of all, the age of a typical local manager was in the range of 29 to 45 years and in the range of 24 to 35 years for a sampled expatriate manager. Thus, expatriate managers were seen to be much younger than local managers in average.

Second, the origins of expatriate managers were found in America and Australia. For the purpose of this analysis, expatriates' origins were compared to those of local Chinese managers who have never been outside of their own country.

Third, the level of education was distinguishable between expatriates and local managers. One of expatriate managers cited four-year universities in explaining their educational level, and the other one was a holder of a master's degree in hospitality. On the other hand, respondents mentioned that the majority of local Chinese managers were high school graduates.

Fourth, the language skill of both managers was too limited in communication. Two expatriates do not speak the local language. As for local managers, their English adequacy is not sufficient enough to communicate with expatriates.

Last, the responses revealed that the average length of time expatriates and local Chinese managers spent in the international hotel industry was 6 years. The most of Chinese managers spent anywhere from 2 years to 20 years with the present hotel, but the most of

expatriate managers has been working all over the Asian countries, including Hong Kong, Singapore, South Korea, before they came to the present hotels

Host nationals

Respondents were asked about whether Chinese managers seem to enjoy working with them because they never had complaints. Also they answered that local managers admitted that working below expatriate managers is necessary. They both also felt regretful of the conflicts sometimes. However, at the same time, local managers also had their tendency to escape from the conflicts without making any effort to solve the problems. Although we may be able to link the lack of language and communication skills on both parts with their misunderstanding on each other in an obvious manner, the real reason of this observed pattern of inefficient communication should be looked from the cultural aspect of this problem. It is not hard to notice how, between expatriates and locals, there is no cultural common ground. Thus, their co-presence in the same workplace is essentially brought upon themselves not by their mutual understanding of their work, but by the misunderstanding of their executives who somehow believed that an efficient managing system can be established between expatriates and local associates without closing their cultural gaps first.

In a socialist country where everyone is supposed to be treated equally, the local managers struggle to understand the logic behind their hotels' executives' decision to reward the expatriate managers of less experience more money, more incentives, and more recognition. For instance, according to Director of rooms at Sheraton, there was one local associate complaining about how their Chinese manager of twenty years of service to their hotel is regarded less important than a foreign manager who barely knows anything about their hotel. In a sense, it is only natural how no trust or proper chain of command can be established between expatriates and local associates. Table 1 demonstrates the critical incident or problems of local managers.

Expatriate Managers

The responses from expatriate managers about what specific skills are most needed by local managers revealed that local managers need to improve on their language and communication skills, general education and cultural awareness. The responses also included the notion that local managers lack a sense of leadership (Table 4) as well as a strong desire for professional development, problem solving and self-development. These skills can be developed through various training programs. The interview responses noted that they include: language and communication skills, higher education, cultural awareness, leadership and ownership, professional development, problem solving, and self-development. As the half of local managers reported being a part of such programs prior to the start of their current work experiences, we need not to forget that this is not just about whether or not a training course was taken by a local manager, but in what fashion it was done.

Indeed, the most serious, yet, common challenge that many expatriate managers shared was poor language skills. Many of the major international hospitality companies do not require their executives working in China to speak Chinese. Yet, while working with numerous Chinese managers, what can be most usefully and severely required is definitely Chinese speaking skills. This can be more simply explained through an example. One of my interviewees recollected attending a dinner with her eight Chinese employees. What was supposed be an occasion for new friendship and co-workership turned into a very frustrating experience for this American manager is simply because of language barriers in local community. Moreover, as these Chinese associates persisted upon only speaking Chinese, she felt outraged for their rudeness and inconsiderate behaviors. In retrospect, she argues that such an incident was not only due to language problems, but also due to cultural differences. As a matter of fact, she believes that the Chinese associates may have considered her as an extremely rude person as well for coming to their country to make money without knowing

anything about their language or culture. Most of foreign managers do not go to local Chinese restaurants or staff cafeterias citing their hygiene problems. This type of unwillingness to emerge oneself into a new culture that he or she now belongs to only looks unfavorable or even disrespectful to locals (Table 2).

The expatriate managers provided the responses about the skills needed in local operation. Cultural aspects (such as understanding cultural and historical background) and language and communication skills are extremely needed. In addition, Chinese managers required leadership skills and personal characteristics (such as open-minded and outgoing personality) from the foreign managers (Table 3).

About one half of expatriates had working experiences in different Asian countries, such as Taiwan, Hong Kong, and Singapore; they had some skills in dealing with local people. The other half of expatriates did not have any experience with Asian cultures before.

Discussion

As shown above, we were able to see the common argument of expatriates for the successful international business. The key variables that lead to the conflicts between expatriate managers and local Chinese managers were the intercultural differences such as language, cultural beliefs and values (Selmer, 2005; Ting-Toomey, 2000, cited in Jassawalla et al., 2004; Keller & Kronstedt, 2005; Littrell, 2002; Mwaura et al., 1998; Samovar & Porter, 2000).

From the researcher's study, the majority of element for conflicts was the lack of language and communication skills for both groups. Littrell (2002) mentioned that there are much more possibilities for expatriates to have an easy access to enter local culture when they speak the local language than for those who do not. Fronting the language problems every day causes dissatisfaction and frustration in communicating and working for both managers.

Based on responses from the interview, local managers seem to be afraid of being against the arguments and the rules, and they intend to be passive in discussion with foreign managers. Even though local managers want to deny what expatriate managers say, they always nod in assent without much concern. Host managers think that they should listen and follow whatever expatriate managers tell them to do. The expatriate manager at Grand Hyatt Beijing claimed that the passive attitude of local co-workers influences their job performance because they do not initiate or challenge to be more successful than the others.

In other situations, both groups realized that they are from different cultures from the study. Thus, if there was something that never can be understood at each point of view for both groups, they considered as inevitable phenomenon that they cannot help. However, the meanings of understanding and ignoring created very different outcomes. In the case of this study, local managers tend to ignore and escape from dealing situation when the conflicts exist with foreign managers. Cultural differences definitely exist between expatriate managers and Chinese managers. Knowledgeable understanding of each culture by educating helps both groups accept diversity with its adjustment.

Many studies explained the reason of this situation in relation to power distance and low-context and high-context. Hofstede (1980) defined mainland China is originated with high power distance. People have a tendency to obey to superiors without any comments or concerns although they do not agree with their superiors or elders (as cited in Begley et al., 2002). Furthermore, this behavior expresses in their communication style in a work place that Chinese managers always agree and behave respectfully to their superiors (Ting-Toomey, 2000, cited in Samovar & Porter, 2000). By applying to this study, high power distance and high context communication style exist in two selected hotels. Local Chinese attitude toward foreign managers can be well explained in terms of those theories.

However, the researcher found that the reason of this passive attitude of locals was that they were afraid of foreign managers. Foreign managers are in a superior position, compared to local managers. Although foreign managers are usually much younger than local managers, locals still treat them as an older age person. Locals understood if they denied or argued too much with their boss, it could remain a huge disadvantage to them. In bottom line no one wants to fire in any reason. Most of local managers felt unfair or envy when they saw foreign managers got higher salary and position and more recognition to the public by doing the same job.

As mentioned in results by the researcher, trust cannot be built between foreign managers and local managers. According to the study of Littrell (2002), “trust is the expectation that arises within a community of regular, honest, and co-operative behavior, based on commonly shared norms, on the part of other members of that community” (p. 29). In this point, the situation between foreign and local managers that the researcher found was far from the trust. Sharing interests, thoughts, ideas or emotions seems very unusual and difficult to them. In any organization or community, trust is the basic value which members should have in mind.

Fortunately, described aspects above that expatriate managers and local Chinese managers actually face can be developed and improved through a creative training program for both groups by following outcomes of the study. Branine (2005) insisted the need for training for local managers to adapt cultural differences for the international business. Apparently, both groups did not have enough training. It means that human resource department should create sufficient and efficient training program for both groups.

Current cross-cultural training programs

To more accurately assess the effectiveness of the current training programs in the Chinese hotel industry, we need to study the programs that are currently being used by the

Chinese hotels. For this purpose, two sample hotels, the Great Wall Sheraton and Grand Hyatt Beijing, were selected by the researcher.

The obvious objective of such training programs is to train expatriate and local managers to acquire certain professional skills and individual characteristics that are most needed during overseas assignments. Such skills include anything from language proficiency to cultural understanding, while the aforementioned characteristics include qualities such as open-mindedness, responsibility and patience. However, two of the largest hotels in the capital city of China, the Great Wall Sheraton and Grand Hyatt Beijing, currently house the self-claimed cross-cultural training programs that only allow expatriate staffs to tour different departments of the hotels. These programs do not feature any exercise or training that would develop the necessary skills within newly-arrived expatriates.

Thus, during the interviews, two interviewees who are currently employed by the two hotels expressed their acknowledgment over the necessity of adopting new cross-cultural programs.

Training expatriates

The primary goal of any cross-cultural training program should be enabling expatriate managers to quickly assess and adapt to unique local settings. As such tasks are not easily achievable over a short period of time, it is essential for international hospitality organizations to realize that expatriates should be put through the programs as early as possible and as long as possible prior to their departures. In order to tighten culture-gap, cultural training should be conducted practically with adequate measures. These two categories can be possibly adapted in two selected hotels for foreign managers to be efficient by developing their skills through the training program.

From the results made in interviews, the most common skills required by expatriate managers were recommended in language knowledge and awareness in particular aspects of local

cultures. For instance, these managers would have courses that introduce the local culture and background in terms of local people's attitude and behavior, their morality and value. Once foreign managers know how to handle the situation when facing the problem, and then they are able to figure out how deal with local managers or employees in terms of communication and leadership. The course should contain several example case studies about local nation and national from other foreign managers who overcame and gave some recommendations.

Training locals

Human resource department should prepare for training host nationals in a well-organized structure. The most vital skill needed by local managers was English language skill and communication skill. For instance, not only all managers but also other local employees can join English language course three times a week for one hour or two hours. It included fundamental basis such as listening, speaking, reading and writing as well as communication and negotiating skills in English to be more effective when dealing with foreign managers and guests. From the interview, locals are willing to join training, but there is no training course at the present hotel. In the course, demonstrations of foreign cultural things such as movies, famous series and music make locals being able to reach foreign cultures with their interests. By providing internal activities, human resources department could encourage the behavior of cooperation naturally. Thus, local managers gain and develop their dealing abilities in terms of international stages by learning.

Conclusions and recommendations for future research

The purpose of this research was to identify the intercultural differences between expatriate managers and local managers. As such intercultural differences and misunderstandings often lead to the conflicts between expatriates and locals in local operation, this study sought to analyze the differences and to propose an appropriate training program

that could allow expatriates and locals to become more culturally compatible during overseas assignments.

In this study, the cultural and interpersonal sensitivity analysis provided us with the information on the causes of intercultural conflicts. Similarly, the critical communication incident analysis allowed us to better understand the on-going communication problems between expatriate and local managers. The information and examples gathered through the research helped us determine the skills and individual characteristics that are much needed by both expatriate and local managers for the success of overseas assignments. These two analyses also helped us address the issues and problems that were present in the current cross-cultural training programs at the two sample hotels, the Great Wall Sheraton and Grand Hyatt Beijing, and design a program that can better assist participants with acquiring the aforementioned skills and characteristics.

This study, however, should acknowledge that the contents and objectives of the above proposed training program were only based on the findings from a limited region. In order to make the findings from this study relevant and applicable to non-Chinese hotels, we need to generalize the results, and make necessary modifications accordingly.

During the process of this research, curiosity arose on the issue of how the outcomes could have been different if the comparison was made between Asian expatriates and Western expatriate managers. An Asian expatriate who can be subject to this study would be an Asian-born manager who has a mixed cultural background both Asia and the West. For instance, someone who was born in Korea, but educated and trained as a hotel manager in the United States would be a good subject to this study. It would be very interesting to see how differently Asian expatriates and Western expatriates would react to and deal with the same cultural problems that were discussed above in local operations.

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Table 1

*Problem of local managers***Language Skill**

Low level of English of Chinese managers makes misunderstanding.

Chinese managers do not fully understand what foreign managers say.

Chinese managers have problems negotiating in English.

Cultural differences

Local managers never reach any foreign culture (e.g. movies, magazines, world news, etc.).

Difficulties of understanding in foreign cultural background

All local managers think that they are different from foreign managers.

Locals are afraid of foreign managers because they are in a superior position.

Locals never understand foreign managers' attitude or behavior.

Communication

Communication and negotiating skills for foreign people

Lack of communication with foreign managers

Lack of communication resulted in misunderstanding each other.

Most of local managers do not want to make arguments with foreign managers.

Usually locals say "yes" or "I am sorry".

Very passive attitude

Conflicts

There is the procedure that we used to things, but foreign managers want to change things the way that they want although they are new people.

Changing provided inefficient and uncomfortable work situation.

Most of local managers feel unfair when foreign managers have more benefits, or higher position.

Negative feelings from expatriates get much higher salaries by doing same work

They live at the hotel, eat in hotel restaurant and use hotel facilities for free, but locals are not allowed.

Trust

Lack of trust

Friends can trust, but foreign managers cannot be a friend.

Teamwork

There are no extra informal activities like sports, dinner, etc.

Hard to get to know each other

Table 2

Problem of expatriate managers

Language Skill

In management position, Chinese is not really necessary, but speaking Chinese could be a very important issue in relationship with locals.

Low level of English of Chinese managers makes misunderstanding.

Chinese managers do not fully understand what foreign managers say.

Chinese managers have problems negotiating in English.

Expatriate managers do not speak Chinese at all.

Difficulties of understanding in Chinese cultural background

Foreign managers feel that there is a huge difference.

Locals kept talking in Chinese although expatriate was there and picked up some word knowing that locals were talking about them.

They ignored and did not respect other people who do not speak Chinese.

Cultural differences

Most of expatriates do not eat in local Chinese restaurant in terms of hygiene.

There was a rat under the table in local Chinese restaurant.

In staff restaurant Chinese eat chicken neck only which is not understandable and acceptable.

Chinese food is not favorable.

Never understandable the way to talk and act

Conflicts

Local Chinese envy foreign managers because most of local managers feel unfair when foreign managers have more benefits, or higher position.

Changing provided inefficient and uncomfortable work situation.

In banquet department, local staffs are not listening to me.

Executive housekeeping manager is not qualified in that position. He has been working for 18 years.

Communication

Communication and negotiating skills for Chinese

Lack of communication with local managers

Lack of communication resulted in misunderstanding each other.

Trust

Foreign manager heard that Chinese colleagues are talking behind his back in the elevator.

Chinese are faking in front to their foreign boss or colleagues.

Teamwork

The work performance of Chinese managers usually did not meet expectations because they do not try to be more initiative and take ownership. They just do the minimum.

Every expatriate spend their free time with another expatriates from the same hotel or other hotels.

There are no extra informal activities like sports, dinner, etc.

It is hard to get to know each other.

Table 3

Skills needed by expatriate managers

Skills needed

Cultural misunderstanding and awareness

Local language and communication skills

Leadership

Personal characteristics

Table 4

Skills needed by local managers

Skills needed

Language and communication Skills

Higher education

Cultural awareness

Leadership and ownership

Professional development

Problem solving

Self-development

Figure 1. A picture of eight steps for the expatriate manager selection

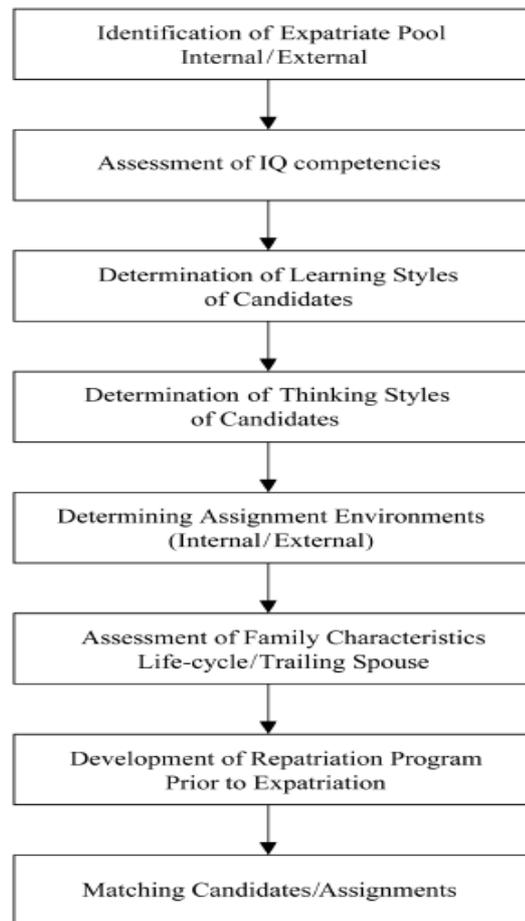


Figure 1. Eight steps for the expatriate manager selection. Reprinted from “Selecting expatriates for increasingly complex global assignments,” by Harvey and Novicevic (2001, p. 79).